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Local option in Norway

Bergen

1890

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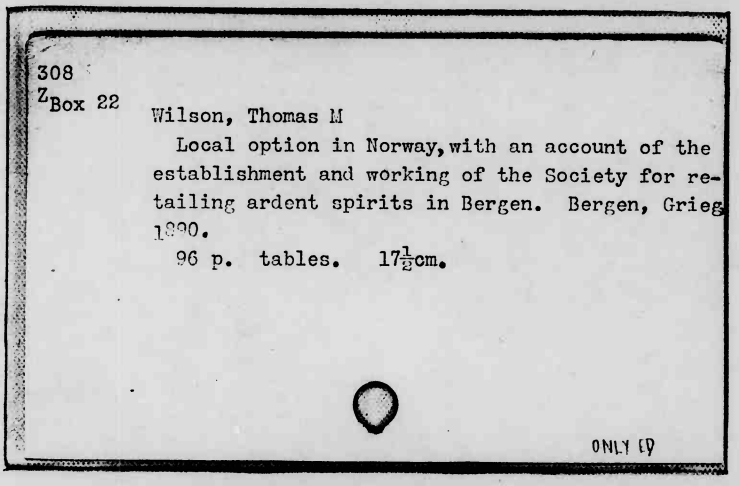
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WITH

AN ACCOUNT

OF THE ESTABLISHMENT AND WORKING

OF THE

SOCIETY FOR RETAILING ARDENT SPIRITS

IN

BERGEN

BY

THOMAS M. WILSON C. E.

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PREFACE.

As a British Subject resident in Norway for many years and well acquainted with its language, the author of this pamphlet has had the fullest opportunity of closely following, on the spot, the rise and progress of the movement for the introduction of "Local Option" into that interesting country; and of observing the results which have rapidly led to its adoption in all the chief centres of population throughout the realm.

The subject of local option has been much discussed both in Great Britain and America, of late years, in connection with proposed legislative reforms in the laws relating to the trade in intoxicating liquors; and the example of Norway has been very frequently cited as affording instructive lessons.

A large circle of friends and correspondents interested in the reform of our home liquor laws have, at various times, applied to me for information regarding the Norwegian system of dealing with the trade in intoxicating liquors; and some time ago I collected a considerable amount of interesting information on the subject, which has been circulated in manuscript form for their use.

I have been urged to make the information referred to accessible to the general home public interested in the question of local option; and it is in compliance with a widely expressed desire to that effect, and in the hope that my experience of local option in Norway may serve, in however small a degree, to aid in promoting an important social reform in my native country, that I have revised my manuscript and supplied the latest statistical information available.

All my correspondents have been especially desirous of learning the details of the parliamentary powers, the nature of the articles of incorporation of the societies that conduct the retailing of intoxicating liquors, the byelaws made for conducting the trade, and the practical details of all the operations connected with the societies' work. To enable me to supply these in a convenient, practical form, I have selected the society established in Bergen, to serve as an illustration of how the Norwegian system of local option has been carried out in practice, and with what results.

The author approaches the subject in no bigotted spirit; he is one who himself uses, without abusing, alcoholic liquors when he feels inclined; it must not be supposed, therefore, that he writes with any preconceived bias in favour of local option. On the contrary, the author was an opponent of the societies when they were introduced, but the nearly 20 years' experience of their working, since acquired, has enabled him to realise how mistaken his original views were, they having been based upon a fear of evils supposed to be attached to the system, which subsequent experience has proved to have been entirely imaginary.

The author now realises, fully, his earlier mistake, and is perfectly satisfied that the societies for retailing ardent spirits in Norway have effected a maximum of good to the community at large, with a minimum of inconvenience to the legitimate consumer of alcoholic drinks.

For the convenience of my readers I have converted the Norwegian financial statistics into sterling, rounding the figures off to the nearest multiple of 5 *l.*

Bergen, Norway, 1st May 1890.

Thos. M. Wilson.

INTRODUCTORY.

It is an incontrovertible fact that, of all the social diseases with which mankind is afflicted, drunkenness claims by far the largest number of victims, and carries the greatest amount of direct and indirect ruin, misery and crime in its train. The immoderate use of intoxicating liquors effects the moral and physical ruin of hundreds of thousands of our fellow-beings annually, and, unhappily, the drunkard does not suffer alone, for his vice invariably inflicts misery and ruin on a larger or smaller innocent circle. We venture to say, that there is not a single reader of this pamphlet who does not know, from personal knowledge, of lives and homes utterly destroyed by immoderate indulgence in intoxicating liquors, or who has not seen how innocent children have been made to suffer from the vice of a drunken parent.

We dare not venture to hope to effectively combat with the immoderate use of intoxicating liquors by legislative measures alone; but, in conjunction with measures of an educational and elevating influence on the masses, we may hope, by reasonable legislative interference with the sale of intoxicating liquors, as these are at present unrestrainedly sold by private licensees, to effect much, in the direction of restraining the immoderate use of ardent spirits and in palliating the ruin and misery drunkenness causes to its innocent victims, as well as to the social well-being of the community at large.

It was in Sweden that the proposal to combat with the vice of drunkenness and the immoderate use of intoxicating liquors by legislative restraints, under a system of local option, on the free sale of ardent spirits first originated; and the town of Gothenburgh has the credit

of being the first to make the experiment; but, as we shall subsequently shew, the system adopted there, now universally known as "The Gothenburgh System", differs materially, in one important feature, from "The Norwegian System".

The system of local option adopted in Gothenburgh had many opponents to contend with, and much coldness and ill-will to overcome. Those whom it ousted from the trade were, naturally, not slow to stir up every possible opposition and to endeavour to excite public opinion against it. Some people considered the scheme as perfectly utopian, others considered it an unjustifiable interference with trade, while others shrugged their shoulders and talked of grandmotherly legislation and public inconvenience.

The Gothenburgh Society had, however, not been very long in operation, before it was generally acknowledged to have effected remarkable moral and financial results. One very influential body of the public — the ratepayers — were rapidly converted into recognising its merits. They speedily realised, that every farthing of the Society's annual surplus was a direct saving to the ratepaying pocket, while the diminution of drunkenness indirectly diminished the ratepayers' burdens in maintaining the police, and other public establishments as well.

The example of Gothenburgh naturally excited the most lively interest in the sister kingdom of Norway, and the subject of local option, and the Gothenburgh system, became a leading topic of the day, which was discussed with much interest in all the leading organs of Norwegian public opinion as well as among the most educated and intelligent members of Norwegian society. As time passed and the results of the Gothenburgh Society's operations had become more and more remarkable, the Norwegians recognised that the Gothenburgh system contained an objectionable feature in principle. The Gothenburgh Society had, in fact, become a large trading concern conducted in the interest of the local ratepayers in reduction of the public burdens borne by them. The ratepayers had, therefore, a direct interest in encouraging the consumption of ardent spirits, as the more financially successful the society was the better was it for the ratepaying pocket.

While adopting the general principle of the Gothenburgh system of local option, the Norwegians, recognising the dangerous feature the application of profits in direct reduction of public burdens presented, and how easily it might lead to the purity of the motive in controlling the liquor traffic being imperilled, eliminated that objectionable feature from their system; under the Norwegian system of local option, therefore, neither any private individual nor any public body has a direct interest in the profits derived from the sale of intoxicating liquors.

The Gothenburgh and Norwegian Systems.

The leading principle in both the systems is, to restrict the number of licences to retail intoxicating liquors to such a number, only, as the legitimate requirements of the public necessitates; and to entrust a monopoly of the licences granted, to a society working in concert with and under the control of the Municipal Authority; the shareholders being excluded from making any profit out of the trading in intoxicating liquors, beyond a preferential interest of 5 % per annum on the paid up capital of the society.

The Gothenburgh System may be shortly described thus: — the municipal council is the licensing authority, and fixes the number of licences required to meet the reasonable requirements of the public. Instead of issuing the licences to private licensees, to trade for their own profit, the council grants a monopoly of the licences to a society of shareholders formed for the purpose of acquiring them, and who undertake to conduct the trade in the public interest. The shareholders are excluded from making any profit beyond a preferential interest of 5 % per annum on the paid up capital of the society, and the annual surplus is paid into the municipal treasury.

The monopoly of the licences is granted for a few years at a time, at the will and pleasure of the municipal council, and the council retains full control over the operations of the society. The society's articles of incorporation, byelaws and regulations, are all subject to the approval of the municipal council; and after being approved by that body must also be submitted for the royal sanction and seal.

In addition to fixing the number of Bars and shops at which intoxicating liquors may be sold, the sites of the Bars and shops have also to submitted to the municipal council for its approval, and the appointments of the society's servants and Bar-stewards are also subject to the same approval.

The destination of the annual surplus being the local treasury, the ratepayers reap the benefit of the trading in a corresponding reduction of the amount required to meet public burdens. It is evident, therefore, that this destination of the profits favours the rate-paying section of the community, and that a temptation to push the sale of ardent spirits in the interest of the pockets of the local rate-payers is created. The purity of motive in establishing local option under this system is, therefore, laid open to suspicion.

The Norwegians have considered this destination of the profits to be a blot in the Gothenburgh System, as local option, under it, enables the rate-payers to conduct the trade in intoxicating liquors in their own special interest, in reduction of the public burdens borne by them.

In the Norwegian System the general principle of the Gothenburgh System is retained, but the objectionable feature in the destination of the profits of the trading is eliminated, so that neither any public body nor any individual can have a direct interest in encouraging the consumption of intoxicating liquors.

Under the Norwegian System, as in the Gothenburgh System, the municipal council fixes the number of licences required to meet the reasonable convenience of the public, and grants a monopoly of them to a society formed for the purpose of undertaking the trade, generally for a term of 5 years at a time. The council retains full control over the operations of the society, and its books are open to the inspection of the council. Its statutes, byelaws and regulations, and the appointments in the society's service, are all subject to the approval of the council, and, except the appointments of servants, must also obtain the royal sanction and seal. Moreover, the committee of management of the society is formed of a body of representatives, of whom a certain proportion are now generally elected by the shareholders, while

the remainder are appointed by the municipal council, and may or may not be shareholders or may or may not be municipal councillors. Usually, however, the municipal council appoints members of its own body to act on the committee of management of the society.

But the great feature in the Norwegian System, and in which it differs from the Gothenburgh System, is the destination of the annual surplus after paying the shareholders their preferential interest. The surplus, instead of going into the local treasury in reduction of public burdens, is applied, each year, in making pecuniary grants to the funds of deserving charities, benevolent societies, philanthropic institutions, or other objects of public utility and benefit, which are dependent for their existence on the voluntary support of the public alone. Any charity or institution &c. which derives aid, however small, from the local treasury or rates is disqualified from participation in the grants of societies established under the Norwegian System of local option.

The purity of motive in establishing local option, which, in Norway, is considered to have degenerated in Sweden in consequence of the great financial success of the Gothenburgh System is, thus, under the Norwegian System, retained in all its original purity; and is secured against any subsequent temptation to stray from the principle that underlies local option as a social reform.

The Parliamentary Powers.

To enable a society of shareholders to hold one or more licences to sell intoxicating liquors it became necessary to amend the existing legislation, by passing a short Act of Parliament granting the necessary powers, and, on 3rd May 1871, an Act, amending the previously existing licensing law, was adopted and passed by the Norwegian Parliament.

We give this Act of Amendment, here, in its entirety, omitting only the preamble and conclusion, which have no bearing on the subject-matter of the provisions of the Act.

Its title runs thus, "Act Amending the Law of 9th" "June 1866, in respect of the sale and retailing of Ardent" "Spirits in Towns."

The Act only contains 3 articles, as follows: —

Art. I. The Law of 9th June 1866 is hereby amended in such manner, that the right of retailing ardent spirits may also be granted to societies which bind themselves to apply the possible profit of their trading in aid of objects of general public benefit and utility; and whose articles of incorporation are confirmed by a resolution of the magistracy and municipal council, and are sanctioned under the royal seal. Such society may contain as shareholders, persons who from their position as trading burgesses are, otherwise, disqualified from holding licences to retail ardent spirits.

Art. II. Such society may hold one, several, or all the licences to be issued in the locality to retail ardent spirits, notwithstanding previous provisions of law, and may exercise licences at separate places of sale. At each such place of sale a trustworthy manager shall be appointed, whose appointment shall be subject to the approval of the local magistracy and municipal council.

Art. III. The manager appointed to such place of sale shall have the same responsibility to the public authorities as, otherwise, by existing legislation devolves on a private licensee.

The foregoing short Act of Amendment was all the new legislation required to open the way for the introduction of local option into Norway.

The previously existing legislation prohibited distillers from selling spirits in towns, in quantities of less than 40 litres at a time, and they were also prohibited from carrying them about in the rural districts, for sale in any quantity whatever.

The magistracy and municipal council of a town were empowered to determine the maximum number of spirit licences to be issued within the town limits, and

to grant such licences to men or women (widows only, however) of 21 years of age and upwards, of good repute; the licence to be exercised at one place of sale only.

Such licences conveyed the right to sell spirits in less quantities than 40 litres at a time or to serve spirits in drams across the counter, as well as to sell in quantities exceeding 40 litres at a time; but the holder of the retailing licence was prohibited from carrying on any other trade except spirit refining.

The Act of Amendment, above cited, made no change, therefore, in the previously existing legislation on the subject, beyond opening the way for the licensing authority to consider applications for licences from such societies as are indicated in the Act.

All the new legislation needed to introduce local option into Norway was, therefore, simply to open the way for societies formed to retail ardent spirits, to compete for the retail licences with private applicants.

The question of the introduction of local option into Norway having advanced so far, that the way was opened for societies to appear as applicants for licences, it is evident that the next stage was simply a question for the licensing authority to determine. The duty of the licensing authority being to exercise the authority committed to it in the public interest, it had, of course, in considering applications for licences, to consider only the public interest and prefer the applicant by whom the public was best served.

When, now, a society appeared as an applicant for every licence, and bound itself to retail any quantity of spirits, at as many places and under any guarantees that the satisfaction of public requirements entailed, under the perfect control of the municipal authorities and in concert with them; and to apply the profits of the trade in supporting charities or other objects of public benefit dependent solely on voluntary contributions for their existence; it is evident that an application from a private applicant who would only undertake to trade in ardent spirits for his own benefit, could not, under these circumstances, receive any consideration at the hands of the licensing authority. The licensing authorities had, practically, no op-

tion in the matter. Their duty was clearly to prefer the applicant who offered the public the most advantageous terms.

As applicants for licences the societies had no privileges, beyond the right to hold more than one licence, not shared in by the private applicants, and the question became resolved into this simply: — the societies offered, if granted the licences, to conduct the trade to the perfect satisfaction of all public requirements, without profit beyond current interest on the capital employed, and to hand over any surplus for the public benefit. Private applicants could, of course, not afford to trade, without profit; but the licensing authorities, as nominees of the public, could only grant the licences to the applicant who offered the public the best terms for them. In short, it was a purely business transaction; the public offered the licences to the highest bidders, and the highest bidders were the societies.

Vested Rights and Compensation.

It may readily be imagined that the Norwegian distillers and publicans were not tame spectators of the establishment of societies whose avowed object was to monopolise the licences for retailing ardent spirits in order to cope with the vice of drunkenness and the immoderate use of intoxicating liquors. A cry of interference with vested rights in the trade was soon raised, and compensation for disturbance was claimed. Distillers had no direct interest in the licences and could, therefore, make no claim on their own behalf; although the establishment of the societies was a deadly blow to their trade, as, of course, the more successful the societies were in restraining the immoderate use of intoxicating liquors, the more would the spirit distilleries suffer from diminished demand.

When the cry for compensation to the publicans was raised, it became, as it were, a suit for damages raised by "private interest" *versus* "public interest", the former being plaintiff and the latter defendant in the action. From the moment the suit was entered for trial the issues to be tried were quite clear to the jury of intelligent public opinion.

The plaintiff opened his case for compensation by showing, that he had carried on business as a retailer of ardent spirits for some time under a licence; that trusting to the renewal of his licence from time to time upon demand, he had invested capital in the trade; that the licensing authority had now refused to renew his licence on the old terms after it had expired, but had granted it to another applicant; that the refusal to renew the licence, to him, had subjected him to loss and damages of various kinds for which he claimed to be compensated by the public.

The defendant in replying, ridiculed the idea of the plaintiff having any just claim for compensation, and argued that there was no interference with vested rights or disturbance in the exercise of any rights, as the plaintiff's presumed rights had no existence in fact. It was pointed out that the plaintiff, by his own statement, admitted that his right to retail ardent spirits was a temporary one, dependent on a licence which might be granted or withheld as public interest required, and which, when granted, was granted only for a term without any obligation to renew, expressed or understood, longer than the public interest permitted. It was argued, that the plaintiff must be held to have entered into the business of retailing ardent spirits subject to all the risks attached to a trade, the right to right to carry on which was dependent on the licensing authority's determination of what public interest required in the way of granting or withholding licences. It was further argued by the defendant, that the plaintiff's claim was untenable unless it could be shewn that the trade of retailing ardent spirits was a skilled trade to which the plaintiff had served an arduous apprenticeship but which he had been prevented in the public interest from following. That as the

plaintiff's licence had expired by the effluxion of time it rested upon him to prove an obligation, undertaken by the licensing authority on behalf of the public, to renew it. As the licence had expired there could be no disturbance in the exercise of rights under a licence which no longer existed. The defendant further argued; that the licensing authority was bound to exercise the powers committed into its hands in the public interest, and not in the interest of a body of publicans; that the licensing authority was at perfect liberty to select from among the applicants for licenses according to its discretion, and was bound to exercise that discretion in the interest of the public. It was argued for the defendant, that if a licensee chose to speculate on the renewal of his licence on the same terms as formerly, and chose to interpret a licence granted for a certain term only as equivalent to a life term, and invested capital in the trade on that footing, he must not expect conpensation for having made the mistake of treating a temporary licence as a permanent one. It was urged by the defendant, that if it had been intended to regard the granting of a licence for a short term as guaranteeing the plaintiff certain permanent rights, the licence would not have been issued for a short term only, and that, in fact, the object and intention in issuing a licence for a term only was, to enable the public to interfere at certain times with the plaintiff's trading, by declining to renew a licence after expiry, if public interest required it, or by attaching new stipulations to the licence.

The defendant finally urged, that the reason the plaintiff was refused a renewal of his licence was, because he would not offer the public equally good terms as another applicant did, who was therefore preferred, and that the plaintiff had therefore lost his licence by his own act in refusing to serve the public on the same terms as the societies.

The plaintiff urged in reply, that he could not offer the public the profits of the trade as he required them for himself. The defendant replied, that that was not a question for the licensing authority's consideration, and that if a competitor for the licences offered the public better terms which

enabled him to get the licences over the plaintiff's head, the plaintiff had better take to trading in some other article in which he was able to compete with profit to himself.

Finally, public opinion decided that there could exist no vested right in a trade, the right to exercise which was dependent on the possession of a licence granted only for a term, without any obligation to renew longer than public interests permitted, and that there could be no question of compensation for disturbance in exercising a trade the right to exercise which had expired by the effluxion of the term for which the licence was granted.

Judgment was accordingly given for the defendant; the societies won the day, and the publicans were ousted from the licences without a farthing of compensation for the refusal to renew their licences.

The societies, however, assisted the publicans in their trouble, by purchasing their unsold stocks of spirits subject to approval of the quality, which was required to equal the standard of quality fixed by the societies.

It is 17 years since the first of the Norwegian societies for retailing ardent spirits was established. Now, they are in operation in every town in Norway that possesses a municipal licensing authority, except 3 very small towns. There are at the present time 51 societies in the Norwegian towns, which conduct the retailing of ardent spirits in their respective towns.

Looking back now, in the light of the experience furnished by the intervening years, it must be admitted that the disposal of the publicans without compensation has been quite justified by subsequent events. Any hardships entailed on them were not very serious and were quite temporary, while the public interest has benefited immensely by the licences being held by the societies. Besides lightening the burden to the publicans by relieving them of their unsold stocks of spirits, the societies also engaged many ousted publicans of trustworthy character as Bar-stewards, and many of them were, in that position, quite as well off as when spirit-dealers on their own account.

The Revenue Question.

The excise revenue derivable from the retailing of ardent spirits is a local one, payable to the local municipal treasury.

The fee for the granting of a licence is itself nominal, being only 4 *s.* 6 *d*; but the excise duty payable on the sale of ardent spirits is more serious, being $1^{9}/_{10}$ of a penny per litre.

By the Norwegian law spirit-licences are granted so as to expire on 31st Decbr. and for any length of term, in the option of the licensing authority, not exceeding 5 years; the operation of that law caused all licences in a licensing district to be of same duration and to expire together.

The revenue derivable from the sale of ardent spirits had, and has, to be paid semi-annually, in advance, on 15th Jan. and 15th July; or must be properly secured to the satisfaction of the municipal authority.

The revenue was, and is, estimated in advance, upon a calculation, made by the municipal authority, of the probable consumption of spirits in quantities of less than 40 litres at a time, for the succeeding year. The amount of estimated revenue was then divided among the licensees in equal sums, so that a licensee whose business might not be more than half as large as another's, paid just the same amount to the local treasury. The licensees were, and are, bound by the estimate of probable consumption made by the licensing authority, which might be, and generally is, in excess of the actual consumption; but in such a case the loss was, and is, the licensee's, as no money could be, or is, returned; the licensing authority's estimate, whether right or wrong, is final and not subject to any correction.

The societies had to satisfy all the same revenue obligations as the private licensees previously did, and the manner of estimating the revenue in advance, on an estimate of probable consumption, entailed very heavy loss to them at starting. The licensing authority could only estimate consumption in advance by the light of past experience,

and calculate the revenue to be paid thereafter; but the establishment of the societies had the effect of immediately reducing the consumption of ardent spirits in a very appreciable degree, and the excise duty paid on the difference between estimated and actual consumption was a dead loss to the societies, because, as before stated, the municipal licensing authority's advance-estimate was final, and the excise duty overpaid could not be returned.

The local treasuries, therefore, received excise revenue from the sale of ardent spirits in exactly the same manner as before the establishment of the societies; but the operations of the societies having caused diminished consumption, has entailed, subsequently, diminished estimates of consumption with consequent reduced revenue to the local treasuries.

Let the English public ask itself the question, whether a loss of revenue caused by the improved habits of the people is a real loss or a real gain. Norwegians of all parties and denominations are perfectly satisfied, now, that it is an immense gain.

In addition to the revenue referred to in the foregoing, the holder of a Norwegian spirit-licence has another burden imposed on him viz.: — should the revenue derived from the levy of poor's rate prove insufficient, at any time in the course of the year, to meet the demands on the Poor's Fund, the municipal council may, by a resolution, determine what sum is necessary to surmount the difficulty, and levy it as an extraordinary tax on the body of licensees, to be paid immediately. A licensee therefore accepts his licence with the possibility of this contingent burden.

The whole system in connection with the granting of licences and the revenue payable on the sale of ardent spirits, with the contingent burden mentioned above payable by licensees, had the effect of preventing applications for licences except from people of some considerable financial strength, and licensees in Norway may be said to have been of a superior class, in as much as they were generally people who had something to lose.

Progress of Local Option.

As already stated, the Act amending the Licensing Laws so as to permit societies to compete as applicants for licences to retail intoxicating liquors in towns, was passed on 3rd May 1871. Since that date to 1st Jan. 1889, the articles of incorporation of 51 societies, established to monopolise the local spirit-licences, had been sanctioned under the royal seal.

There are 59 towns in Norway with a licensing authority. In 5 small towns, with a collective population of 9900, licences have been refused to all applicants, and in these towns there is no retailing of intoxicating liquors permitted at all. In 3 other small towns, with a collective population of 1280, societies have not been formed to monopolise licences, and the retailing of ardent spirits is, in them, still conducted by private licensees.

In every other town in Norway with a licensing authority — 51 in all — a society has been formed to monopolise the spirit licences and retail intoxicating liquors, applying the profits of the trading to the support of public objects dependent for their existence on voluntary public support only.

It may be desirable to point out, here, that the licensing authority in every town may or may not grant licences in its discretion, as will have been evident from the fact, stated above, that in 5 small towns the retailing of intoxicating liquors is entirely prohibited. The same may be said of rural districts; in them local option exists and is practised in its most complete form; in some places a few licences are granted, in others none at all, depending on the discretion of the communal body of representatives, which is the licensing authority.

As before stated, spirit-licences were issued for a short term of years, not exceeding 5 years at a time, and they expired together on 31st December. The societies formed to monopolise licences could not, therefore, commence operations, in any case, until the current licences had expired and a new term for considering applications for licences had come round. Some little time,

consequently elapsed after the passing of the Act of 3rd May 1871, before any society was formed or could obtain a licence.

Licences, for instance, granted on 1st Jan. 1871 (the year of the passing of the Act of Amendment) were in some cases granted for the full maximum legal term of 5 years, so that societies could not, in such cases, obtain access to compete for the licences until 1st Jan. 1876. By 1st Jan. 1876 every possible existing spirit-licence was bound to have expired by effluxion of time, many earlier, of course, but the latest survivors ceased to exist on that date. After that date, therefore, every town in Norway with a licensing authority, had access to form a society to compete as applicants for spirit-licences.

We will in the following table, shewing the progress of the formation of local societies to monopolise licences, start with the position existing on 1st Jan. 1875.

No. of Societies in operation on 1st Jan.

1875	1876	1877	1879	1880	1882	1886	1887	1889
15	22	30	35	41	44	49	50	51

In the subjoined table we will shew the progress in the diminution of the home consumption of ardent spirits which has taken place in Norway in the period the societies have been established and operating up to 31st Decbr. 1887, the latest statistical date at present available.

Year	Total Home Consumption of Ardent Spirits
1876	12,300,000 litres.
1877	11,100,000 —
1878	8,500,000 —
1879 . . .	6,200,000 —
1880	7,500,000 —
1881	5,800,000 —
1882	7,200,000 —
1883	6,400,000 —
1884	6,700,000 —
1885	6,800,000 —
1886	5,900,000 —
1887	5,600,000 —

The Home consumption of ardent spirits, it will be seen from the foregoing table, has been reduced in 12 years of the societies' operations, from 12,300,000 litres to 5,600,000 litres; but, in considering these figures, it must not be forgotten that the societies' operations were concurrent with the progressive dates of establishment, and that the influence of the latest established societies on the consumption, does not appear in its full effect in the above figures. The statistics of the years 1888 and 1889 are not available at present but it is expected they will show the same satisfactory progressive operation as our table shows.

In the subjoined table we will shew the progressive sales of the societies, over the same term of years as in the preceding table, with the per-centage that they bear to the total consumption of ardent spirits in Norway. In this table it will be seen, that the sales of the societies and the per-centages in relation to the total consumption have greatly increased throughout the period covered. That is, however, not due to increased consumption but to increased number of societies; and in reviewing the figures in the following table, the first table given should be considered as well; but even then, without a statement of the population served it is difficult to quite follow the moral results of the societies' operations as they appear in this table.

Year	The Societies' total sales of Ardent Spirits	Per-centage of total consumption of Ardent Spirits in Norway.
1876	1,015,019 litres	8.3
1877	1,641,965 —	14.8
1878	1,889,786 —	22.2
1879	1,519,019 —	24.5
1880	1,575,410 —	21.0
1881	1,746,856 —	30.1
1882	1,833,727 —	25.5
1883	2,167,193 —	34.1
1884	2,287,875 —	34.1
1885	2,181,935 —	32.1
1886	2,441,159 —	41.4
1887	2,419,261 —	43.2

It must be remembered that the societies' sales are restricted, practically, to sales not exceeding 40 litres at a time and in one delivery; in reality the above table shows, it may be said, little else than the quantity of ardent spirits consumed across the counter in dram-drinking, with sales in bottle added.

It will be observed from the figures we have supplied, that the societies' turn-over had risen from 8.3 %, in 1876, to 43.2 %, in 1887, of the whole consumption of ardent spirits in Norway. The differences 91.7 % and 56.8 % respectively, represent the retail consumption in rural districts and sales in bulk by private traders.

As we have before pointed out, no one may, in the towns, except the societies, sell ardent spirits in quantities of less than 40 litres at a time; but any general private licensed trader may sell them in quantities exceeding 40 litres at a time and in one delivery.

Norway, although an enlightened country enough in some things, lags far behind in others; its trading system and laws are capable of much improvement. No man may, for instance, sell goods not the product of his own labour without a citizen's trading licence; and a trader is prevented from increasing his trade by opening branch establishments; there are many such antiquated restrictions on the free development of trade.

The citizens general trading licence referred to above, while not conferring a right to sell spirits in quantities of less than 40 litres at a time, gives full right to sell them in bulk exceeding 40 litres at a time. The ardent spirits consumed in the rural districts, are principally supplied by general traders in the towns to country store-keepers, who retail them to the rural population.

In 1887, the latest year for which statistics are, as yet, available, the societies sold, altogether, in wholesale quantities, consequently more than 40 litres at a time, only 123,250 litres, which was only about $^1/_{19}$ of their turn-over.

Statistical Report of Operations.

In dealing with this subject it will be sufficient, for all practical purposes, to confine our statistics to the latest year at present available, viz. 1887. The subjoined table gives a summary of the operations of the 50 societies existing at 31st Decbr. 1887. The 51st society only commenced its operations on 1st Jan. 1889 and its annual report is not yet available.

Table of the Societies' Operations in 1887.

Town	Census taken on 31 Decbr. 1885.	Total Amount of Sales of Ardent Spirits.	Gross Profits.	Shareholders' Interest and Charges.	Taxes & Duties paid to the local Treas'y	Net Surplus.
		Litres	£	£	£	£
Christianssand..	13,022	96,503	5,225	3,760	1,315	1,560
Fredrikshald....	11,246	84,076	5,290	3,425	1,075	1,865
Laurvik	11,196	43,107	3,035	2,025	665	1,010
Tönsberg.....	7,034	67,920	3,580	2,405	800	1,175
Porsgrund.....	3,614	19,648	885	555	195	330
Sandefiord.....	3,159	29,285	1,300	775	320	530
Langesund	1,357	4,379	230	210	95	20
Egersund.....	2,799	21,904	985	655	255	330
Flekkefiord	1,730	27,474	815	490	195	325
Mandal.....	3,991	44,245	1,415	1,070	360	345
Kragerö	5,344	42,185	2,400	1,460	560	940
Stavanger	23,911	76,513	5,315	3,650	1,150	1,665
Fredrikstad.....	11.212	98,154	5.735	3,390	1,220	2,345
Tvedestrand....	1,734	10,505	645	430	105	205
Lillesand.....	1,467	16,020	995	575	160	420
Grimstad.....	3.073	22,173	1,325	835	330	490
Arendal	4,583	57,062	3,240	2,335	755	905
Österrisöer	2,845	13,944	760	425	120	340
Brevik	2,187	9,427	565	470	190	95
Drammen	19,601	51,953	2,845	2,500	560	340
Farsund.....	1,589	20,391	835	550	190	285
Dröbak.....	2,091	20,701	805	475	190	330
Bergen	47,075	241,734	15,180	8,690	2,395	6,495
Namsos	1,914	11,009	820	475	150	345
Kongsvinger....	1,269	44,332	1,365	890	375	470
Carried forward	189,043	117,644	65,590	42,520	13,725	23,160

Town	Census taken on 31 Decbr. 1885.	Total Amount of Sales of Ardent Spirits.	Gross Profits.	Shareholders' Interest and Charges.	Taxes & Duties paid to the local Treas'y	Net Surplus.
		Litres	£	£	£	£
Brought forward	189,043	117,644	65,590	42,520	13,725	23,160
Tromsö	5,734	37,990	2,275	1,380	465	885
Christianssund..	9.790	48,837	2,735	1,815	610	810
Hamar	3,773	44,481	2,845	1,430	460	1,415
Levanger.....	875	17,784	715	525	190	195
Gjövik	1,165	36,877	1,440	685	305	750
Horten	5,854	39,122	1,715	1,260	420	455
Holmestrand ...	2,319	31,064	1.820	1,520	635	295
Stenkjær	1,775	28,563	1,415	675	345	740
Mosjöen.....	1,166	24,887	1,075	625	470	450
Hammerfest	2,307	17,125	1,220	770	210	450
Vardö.....	2,417	12,072	1,330	915	265	420
Bodö.....	2,695	23,427	1,280	765	230	515
Molde.....	1,591	22,465	965	710	210	255
Aasgaardstrand.	447	5,696	270	165	75	105
Aalesund.....	6.889	30,189	1,930	1,255	475	675
Skien	7,289	103,522	4,910	2,430	755	2,480
Trondhjem	23,979	206,038	8,880	7,850	2,735	1,030
Sarpsborg	2,788	43,421	2,095	1,280	505	805
Kongsberg	4,561	53,212	2.180	1,365	470	815
Hönefos	1,259	67,352	2,310	1,130	430	1,180
Moss.....	6,906	40,014	2,505	1,745	460	755
Sogndal	473	3,220	195	165	65	30
Christiania	130.027	292,960	25,350	18,120	4,370	7,230
Vadsö.....	2,214	8,388	595	450	90	145
Svelvik.....	1,515	5,911	325	240	95	85
Totals	418,851	2,419,261	137,965	91,790	29,065	46,130

The population in the foregoing table is stated according to the census taken on 31st Decbr. 1885, or two years earlier than the other returns in the table; a small allowance must therefore be made, when considering the figures, for an increase of population between 31st Decbr. 1885 and 31st Decbr. 1887.

It will be seen, that the local treasuries benefited in 1887 to the extent of £ 29,065. This sum was composed of excise duty and all the other communal taxes due, such as income and property taxes (in Norway communal burdens), poors-rates, church-rates, school-

rates, police-rates &c. &c. Of the amount, however, £ 21,485 was for excise duty on the consumption of spirits estimated in advance.

The excise duty to be paid was, as usual, calculated in advance, upon an estimated consumption of 2,900,580 litres; but, as the table shows, the actual consumption for the year was 2,419,261 litres, from which falls to be deducted the 123,250 litres previously mentioned as the amount of the societies' wholesale transactions; the net quantity of ardent spirits actually retailed in 1887 by the societies was, thus, only 2,296,011 litres. The societies had, therefore, been charged, and paid duty on 604,569 litres of ardent spirits more than they had sold. In other words the actual consumption in 1887 was 604,596 litres less than it was estimated by the licensing authority it would be. The societies had therefore paid £ 4480 excise duty more than the actual sales warranted, and the sum not being recoverable from the local treasuries was a dead loss to the societies. Ever since the societies started their operations the same relation has existed; the actual consumption has always fallen short of the consumption estimated in advance, and indeed the difference has once or twice been even greater than it was in 1887.

A comparison of the figures for 1887 shews, that the gross saleable value of the spirits sold was 1 *s.* $1^3/_4$ *d.* per litre; the expenses of the societies were $8^1/_2$ *d.* per litre, and the net profit was $5^1/_4$ *d.* per litre.

The surplus, after paying the shareholders their interest on the capital employed, was £ 46,130, and the whole of this sum was available for distribution in pecuniary grants, in aid of public objects of utility not assisted by local rates either directly or indirectly. The application of the sum first appears in the statistics of the following year, not yet accessible, but the nature of the objects supported by grants from the above sum will be evident from the account of the operations of the Bergen Society given hereafter, and which, happily, we are able to follow up to date.

If we now add the sum of £ 29,065 stated above, as paid to the local treasuries, to the surplus £ 46,130, we obtain £ 75,195 as the amount of benefit, in cash,

derived by the 50 towns embraced in the table; or equal to 3 *s.* 7 *d.* per head of population.

The paid up capital of the 50 societies named is £ 32,625 or 1 *s.* $6^3/_4$ *d.* per head of the population

A subject closely allied to the results of the societies' operations is the criminal statistics. Unfortunately we are precluded from considering them here, as the criminal statistics are general whilst the societies' operations are local. This is, however, the less to be regretted, as in the account of the Bergen Society which follows, a plain indication is given of what the societies have effected in reducing crime by diminishing the consumption of intoxicating liquors in their respective localities.

Note: — The statistics for 1888 have been received by the author while this work was in the printer's hands. The Report for 1888 shows a reduction of 4000 litres only in the consumption of ardent spirits; but a very large increase in the surplus compared with the preceding year. The increase in the surplus is £ 9345, chiefly due to a rise in import duty, which took place in April 1888, and a reduction in the working expenses. The rise in duty, of course, raised the value of stocks of spirits and entailed a corresponding rise in the retail prices.

Influence of the Societies
on
Public Interests and Convenience.

Much misconception prevails on this subject among the British public owing to a very general belief that the Norwegian Societies are established on principles of teetotalism. That is, however, a great mistake. The principle that underlies the Norwegian societies is not prohibitive but controlling. They are established to cope with the vice of drunkenness and the immoderate use of spirituous liquors; not by prohibiting the use, but

by controlling the sale preventing the abuse, at same time conducting the sale with all due regard to public interests and convenience.

Prior to the establishment of the societies, when the trade was conducted by private licensees, the local municipal treasury derived a large part of its revenues from the excise duty payable by the licensees. The establishment of the societies has not in any way interfered with the principle of this source of revenue. The societies have exactly the same obligations in every way and continue to pay the same excise duties as the private licensees did. But the societies' operations having resulted, as shewn on page 21, in a great diminution in the consumption of ardent spirits, it follows, of course, that the excise duty now collected is so much the less, and that the revenue derived by the local treasuries from excise duties has fallen off in a great degree. The local treasuries have therefore suffered loss of revenue from the societies' operations. Against this loss of revenue is to be placed the improved habits of the people with all that that involves in producing diminution of crime and reduction of expenditure in other branches of the public administration.

That the loss of revenue to the local treasuries from diminished consumption of intoxicating liquors is a gain and not a loss, is a universally recognised fact in Norway. To prove that, it is only necessary to repeat what we have already previously stated, viz. that there are but 3 very small towns in Norway, with a collective population of only 1280, which have not formed a society to control the retailing of intoxicating liquors; and also to refer to the table on page 21, which shows how quickly the experience of the earlier formed societies led to the formation of others.

The societies and their servants having no interest, whatever, in pushing the sales or in the profits of the trading, have no inducements to attempt any "publican's tricks" on the customers. The consumer may purchase his liquors with perfect confidence; these are carefully purchased, and stored when necessary to ripen; experts are called in to check the quality, to see that the distil-

leries supply the quality the societies contract for, and the standards of strength are uniformly maintained. It will thus be readily understood, that the public interest is served — in the matter of the quality of the liquors sold — in a much superior way than it was in the days of the private licensees.

The societies are bound to open as many places of sale and in such situations as the wants and convenience of the public necessitate; and the municipal council fix the number and sites of the places at which the societies shall open Bars for the service of the public. In this way the public have every reasonable convenience for supplying themselves with ardent spirits, but no locality has a superfluity of Bars, as was the case when private licensees conducted the trade and competed with each other for a livelihood out of it.

But the question of personal profit from the trading being entirely excluded in the societies' operations, the public are offered no attractions in the Bars beyond genuine liquors. There are no bright, comfortable gin-palaces or seductive bar-maids to attract the thirsty soul. The Bars are, simply, plain rooms fitted with a counter and shelves for glasses &c. There are no seats for the customers, and they are not permitted to loiter on the premises; they must consume their dram at once and leave immediately. There is no chalking up of scores to be paid off when pay-day comes round. The business is strictly for cash down "on the nail". Any one creating a disturbance or appearing the worse of liquors is not served. Children are not allowed upon the premises and can therefore not be used as messengers to procure liquors; besides which the societies supply liquors only in their own glasses and bottles. Youths of tender years, younger than 16 or 17 years of apparent age, are not served. Only a reasonable quantity of spirits is served at a time to any customer, and not such a quantity as in the opinion of the bar-tender would be likely to produce intoxication. Whoever, therefore, wants to get drunk must purchase a bottle at a time, or, in a town where there are many Bars, (generally widely apart of course) the drunkard must trudge from the one to the other, in order

to procure the necessary number of drams to produce drunkenness; when that stage has become evident, he can get no more at any Bar. The prices of the liquors sold are not more expensive than when the private licensees conducted the trade; they are fixed by the societies subject to the approval of the municipal council, so that the public interest is perfectly protected in that matter too. The tariff of prices is hung up in the Bars for the inspection of the customers. Then females are, as indicated above, not permitted to be employed as Bar-tenders. These are men of trustworthy character appointed by the societies, but subject to the approval of the municipal council. They are clad in a uniform, each man with a number on his collar, like a policeman, to enable his indentification in case of a customer having any complaint to make. There are many very funny stories told by the managers of the societies relating to complaints by customers who have been refused supplies owing to a difference of opinion between the customer and the Bar-tender as to what constituted inebriation, or as to where the limit of supply should be drawn.

It is not necessary to pursue this branch of the subject further here, as in the following pages, which give an account of the establishment and working of the Bergen Society for retailing ardent spirits, the reader will find full details, and these may be taken as applicable to the Norwegian societies in general.

The monopoly of the licences by the societies does, however, cause a distinct inconvenience to the travelling public, as hotels are debarred from serving their visitors with spirits. That is, however, not an absolutely necessary accompaniment of the Norwegian system of local option, and in Christiania a select few of the chief hotels hold sub-licences from the society there, to retail the society's liquors on the hotel premises. In these special cases the inconvenience to travellers is avoided, but at the expense of an injustice to less favoured hotels. In other towns, if a traveller staying in a hotel desires a glass of spirits, he must go, personally, to the nearest society Bar and be served in the usual way over the counter; or he must give a hotel porter the cash and despatch

him to a society's shop to purchase, and fetch a whole bottle.

Except in Christiania it is generally recognised, that it is unjust to favour certain chief hotels and permit them to retail the society's liquors while smaller establisments are debarred from an equal privilege; consequently, in the other towns all hotels are debarred from retailing spirits.

The Sale of Wines and Ales.

The sale of these is independent of the spirit licence but also requires a special licence, obtainable, however, on much easier terms than the first-named. Places for the sale of wines and ales have, therefore, always been far more numerous than spirit shops; and the local treasuries have derived a considerable revenue from them in the shape of a fixed tax on the grant of the licence, and not as an excise duty on estimated consumption as in the case of ardent spirits. The municipal council fixes the tax to be paid; it is payable in advance, and is of course the same for all licences of this class.

The diminution in the consumption of ardent spirits has been accompanied by an increase in the consumption of wines and ales, especially of ales; and the Norwegian breweries are almost all very flourishing institutions. To produce drunkenness by consuming wines or ales is both a more tedious and more expensive process than to produce it with ardent spirits as the medium; and there are, besides, other drawbacks, which we need not particularise, that make drunkenness produced by the consumption of wines or ales less attractive to most people than drunkenness produced by ardent spirits. Then the drunkard and immoderate user of intoxicating liquors is rarely a very strong capitalist, so that his purse

is apt to give out before the stage of drunkenness is reached when he has to confine himself to wines and ales to produce it.

These causes no doubt act prohibitively to many, and it is quite certain that the diminution in the consumption of ardent spirits which has followed the establishment of controlling societies, has not been accompanied by anything like a correspondent increase in the consumption of wines and ales; but still the wine and beer-shops have proved a great obstacle to the completeness of the societies' work, and all the societies established up to date, except 3, have therefore attempted to deal with the competition of the wine and ale shops.

Were all the wine and beer-shops held by licence from the municipal councils the question would be soon disposed of, in the present state of public opinion in Norway, enlightened as it is by the success of the societies' work, as the societies would have no difficulty in acquiring a monopoly of the licences over the heads of private licensees, in the same way as they obtained a monopoly of the spirit licences; but unfortunately there is a difficulty in the way.

Along with the places licensed to sell wines and ales by the municipal councils, there are, in every town nearly, a few places whose rights to sell wines and ales are independent of the municipal councils' licence. These places hold, generally, ancient privileges direct from the crown, they having been granted in some previous period, in perpetuity, for services rendered. The societies can, therefore, not obtain a monopoly of the wine and ale licences as long as those rights exist, and to monopolise the municipal council's licences only, leaving the other establishments unfettered, would not serve the purpose effectively.

The societies, however, look forward to the day when the wine and ale licences and the existing privileges will fall into their hands, and they endeavour, whenever possible, to promote that object by buying up the privileges when obtainable at a reasonable cost, and by starting a few wine and beer shops in competition with the private licensees' trade. These shops it was

hoped would, by their respectability, cleanliness and comfort, attract customers from the private licensees' shops, but they have not always been successful. In some cases they are a source of loss to the societies. Those shops are, it is scarcely necessary to say, fitted up to compete with the private shops, and are therefore equally comfortable as a resort.

Most of the Norwegian societies have opened a special fund to which a portion of the annual profits is applied, for the purpose of buying up the privileges to sell wines and ales that are held under crown grants, whenever circumstances arise to throw them on the market and cause them to be sold at a reasonable price.

There is little doubt, that as soon as the last existing privilege to sell wines and ales independent of a licence from the municipal council ceases to exist in a Norwegian town, the private licensees of that town are doomed to see all the municipal council's licences monopolised over their heads by the societies; who will undertake all the same public burdens as the private licensees pay, but will return the profit of the trading to the public, by grants in aid of objects of general public utility, dependent alone, for their existence, on the voluntary support of the public.

Local Option Applied In Rural Districts.

There are no societies formed to retail ardent spirits in the rural districts of Norway.

The population of the country is only 16 to the sq. mile, and when the concentrated populations of the towns are subtracted from the total population of the country, which is estimated at 2,000,000, it is evident that the rural districts must be very sparsely populated, indeed, in proportion to the area of the realm, which is 122.780 sq. miles. To operate with societies to retail spirits,

in such a thin and scattered population as we have indicated exists in the rural districts would be impracticable; and it was, no doubt, this knowledge that caused the Norwegian Parliament, when it legislated on the subject of the licensing law in 1871, to only amend the previously existing legislation in regard to towns, and leave the general provisions of the previously existing law undisturbed.

The licensing authority in rural districts is the parish Board of Representatives; and it has full power to determine whether any, or what number of licences shall be granted within the limits of the parish. The Board estimates, in advance, the probable consumption of ardent spirits in quantities of less than 40 litres at a time, for the following year, and a duty of $1^{9}/_{10}$ pence per litre is payable on that estimated quantity. The sum of the duty is divided equally among the licensees, and the amount is payable half yearly, on 15th Jan. and 15th July, in advance, to the parish Poors' Fund. The contingent burden to supplement the Poors' Fund in case of need, by an extraordinary levy on the licensees, also exists in the rural districts. The amount of excise duty to be paid may in no case be less than 4 *l.* 10 *s.* per annum; and a rural licensee who resides within $3^{1}/_{2}$ miles of a town boundary, has to pay not less than the same amount as the town licensee, should it happen to be greater than in the rural district he resides in. Any revenue in excess of the requirements of the Poors' Fund may be applied to any other communal fund. The licences granted run for a period not exceeding 5 years, in the option of the Board, and must be granted so as to run from 1st Jan. of the year succeeding the grant, and they all therefore expire together on 31st Decbr.

The Board has no obligation to transfer a licence from a former proprietor to a new proprietor, upon a sale of licensed premises taking place.

By an old law taverns were established along the roads for the convenience of travellers; these had the right to sell spirits retail, under certain restrictions; but after the date of a later Act of Parliament regulating the subject, the Parish Board has no obligation to issue

licences to new taverns, neither are the old taverns compelled to retail ardent spirits; they simply retain the right to do so if they choose to exercise it.

All places licensed for the sale of spirits must close at 5 o'clock in the afternoon of the day preceding Sundays and holy festivals, and remain closed until 8 o'clock in the morning of the day after Sundays or holy festivals.

Licensed premises may not be opened before 8 o'clock, morning, nor kept open after 10 o'clock, evening; and neither children nor apprentices may be served, nor are persons residing within $3^{1}/_{2}$ Eng. miles permitted to be served.

Storekeepers with a general trading licence — such a licence is necessary in Norway for ordinary general trading — are permitted to sell ardent spirits without limit of quantity, but only from their own premises and not for consumption on the premises, and they are prohibited from permitting the consumption of spirits in any adjoining premises under their control.

Storekeepers who treat their customers to ardent spirits in connection with business transactions are punishable as if the spirits so given had been sold and consumed on the premises; and it is a punishable offence for any one to attempt to evade the provisions of the liquor laws by connecting a fictitious gift of spirits with a sale of some other article. That was to prevent a disguised sale of spirits taking place in connection with a nominal solid refreshment.

Those who sell solid refreshments or who conduct places of public amusement are not permitted to treat customers to ardent spirits; if they do so they are punishable as if the treating was a sale.

A wholesale dealer, that is one who has no special spirit licence to sell less than 40 litres at a time, is punishable for illegal sale if he delivers less than 40 litres of a larger quantity sold, at a time.

The sale of spirits to a person already intoxicated, or in such a quantity as is likely to produce intoxication, or to children or apprentices is a punishable offence. To turn a drunk person out into the public road is, also, a punishable offence; and should the person so ex-

pelled subsequently receive injury, while left to himself in an intoxicated condition, the party who turned him out is punishable by a severe fine; unless the circumstances of the case bring it under the still more severe provisions of the criminal law.

Whoever appears at Church, a Court of Justice or an Auction, in an inebriated condition is punishable by fine, and may be removed; if the inebriated individual causes disturbance he may also be locked up until sober without affecting his liability to be fined in any way.

A negligent policeman, who allows more than 24 hours to elapse before reporting an offence which has come to his knowledge, is himself fined double the amount of the original culprit's fine for a first negligence, and for a second such negligent offence, a fine of treble the culprit's fine. If he has acted negligently with the intention of shielding the culprit, he is dismissed the force as well.

Altogether, the liquor laws in rural districts are already sufficiently stringent to effect the object of controlling the trade in ardent spirits, **if they were applied in all their strictness;** but the difficulties are great, and drunkenness flourishes in a good many of the rural districts of Norway.

That condition of affairs is caused by a combination of circumstances, which it is beyond the subject of this pamphlet to speak of.

It is, however, a gratifying fact, that the habits of the inhabitants in rural districts are year by year improving, as may be gathered from the fact that the annual consumption of ardent spirits is now estimated at about $2^{3}/_{4}$ litres per head of population, while not very many years ago it was fully twice as great. Sixty years ago the consumption was fully 6 times as great as it is now.

Altogether, it may be said of Norway, that, although it lags behind in some things, it takes a very high place among the nations of Europe in its efforts to educate and elevate the masses of its people; and it is, undoubtedly, owing to the success of its efforts in that direction, in conjunction with the effects of local option, that the consumption of spirits generally has become diminished

and that too, in spite of a large increase of population and a great increase in the wealth and economical resources of the inhabitants.

Future Prospects.

The antipathy that undoubtedly existed in many quarters to the establishment of societies to retail ardent spirits, when the Act of Amendment which opened the way for the formation of such societies was passed, has now quite died out, and has been replaced by very general sympathy for the application of local option by means of retailing societies, on the principles of the Norwegian system. That is sufficiently evident from the fact, that it has been almost universally applied since 1876, wherever it could be applied.

The shoot has developed into a flourishing and magnificent tree of which all are justifiably proud; and local option, as represented by the societies and their work, has now taken firm, deep root in the lives and habits of the people as a permanent institution not to be lightly interfered with.

The experience gained in the past 18 years has removed all the doubts and apprehensions that previously existed, and has enlisted the sympathies of all classes of the people in favour of local option as now practised.

The societies' mode of working and the habits of the people have quite accommodated themselves to each other, and the inconveniences that were feared in the beginning have been restricted to a minimum. There is no real inconvenience, whatever, caused to any class of the public beyond the hotel visitor; but it must be admitted, that the monopoly of licences by the societies has caused the hotel visitor inconvenience, in as much, that he cannot purchase spirits, if he desires to do so, in his hotel; that inconvenience is, however, not an ab-

solute consequence of the application of local option, as may be gathered from the fact that a select number of hotels in Christiania hold sub-licences from the society established there.

There is every disposition to remove the inconvenience indicated, if only a practicable way of doing so could be discovered; which, while retaining due control, would not prejudice the general work of the societies, and which could be applied without creating undue preferences. It must not be forgotton that the societies are not prohibitive, but restraining only where restraint is necessary and desirable. The hotel visitors problem will, we think, be solved before very long, in such a manner, that the hotel visitor may obtain his legitimate wants supplied without, as at present, having to personally prooceed to the nearest Society's Bar to consume a glass of spirits, or, alternatively, sending a hotel porter to purchase a bottle, when probably a single glass is all that he wants.

But there is another point in which it is not improbable an attempt will very shortly be made to make a change viz. the destination of the annual surplus.

The Norwegian Government has not been slow to perceive the financial success of the societies, and it now casts a longing eye on the surplus. The purity of the trading principle could perfectly well be maintained if the surplus went to the National Treasury, instead of, as in the Gothenburgh system, to the local municipal treasury.

Two proposals have lately been mooted — not officially as yet — which are intended to divert, at least a share of the societies' surplus into the National Treasury. The one of those proposals is, that the state should take over the societies' work and retail spirits as a State monopoly for the benefit of the nation. The other proposal is, that the surplus should be divided equally between the National Treasury and the local objects of public utility.

There exists, we believe, in parliamentary circles, a feeling in favour of a change in the direction indicated,

by which the National Treasury would derive some financial benefit.

It is not unreasonable, we think, that the National Treasury should at least share in the societies' surplus; because the societies' work diminishes the state revenue, by diminished consumption reacting on the revenue derived from the distilleries, which revenue is national, and not local as the revenue on retail consumption is. Then, again, a certain portion of the surplus is due, not to the strictly local consumption but to the consumption of the travelling and floating population as well, and it is not inequitable that profit derived from that population should go to a National rather than a local object.

Any change, however, in the destination or distribution of the societies' surplus will meet with strong opposition. Having tasted the sweets of having a handsome sum to distribute annually to local objects of public utility, the local communities are not likely to tamely submit to deprivation of that privilege now. There is, however, undoubtedly, something to be said in favour of an equitable division of the surplus that arises from year to year out of the societies' trading, between local objects and the National Treasury.

It is quite within the range of political vision that a Bill on the subject will be submitted, very probably in the next session of the Norwegian Parliament, which will at least to some extent propose to alter the destination of the societies' surplus.

AN ACCOUNT

OF THE

ESTABLISHMENT AND WORKING

OF THE

SOCIETY FOR RETAILING ARDENT SPIRITS

IN

BERGEN.

In the following pages we propose to place an account of the establishment and working of the Bergen Society for Retailing Ardent Spirits before our readers, in order to illustrate, in a clear and distinct manner, how the Norwegian system of local option is established and worked, and with what results. This society may be regarded as a good model of the system; and we purpose to describe its organisation and mode of operating; also to supply tables of its statistics, shewing what it has effected financially as well as morally, and how it has succeeded in diminishing the consumption of intoxicating liquors.

The society obtained in 1876, the entire monopoly of the Bergen spirit licences, to operate from 1st January 1877. Is has therefore stood the test of 13 years experience now, and the statistics we give cover the whole of that period, but for convenience we give them in a summarised form. The society's licences convey the right to retail ardent spirits and all drinks of which ardent spirits form a component part; that is to say, the society may sell retail — in addition to wholesale, which it can do under an ordinary trading licence — and the definition of retail sale is, as we have previously explained, any quantity less than 40 litres at a time and in one delivery. Retail sale means practically, however, the selling of ardent spirits and spirituous liquors in drams, glasses or bottles across the counter.

The general principle upon which the society is founded is, that the shareholders shall derive no benefit, whatever, from the profits beyond 5 % per annum in-

terest on the paid up capital; neither shall the ratepayers nor any other person or body have a farthing of direct interest in the profits of the society's trading. All profits, subject to the payment of the shareholders' preferential interest, are devoted to the support and encouragement of institutions, benevolent societies, charities and others, of general public utility and benefit, by means of pecuniary grants in aid of their funds out of the society's annual surplus; and the objects thus assisted must be of such a nature, that they are entirely dependent on the voluntary support of the public for their existence and must derive no part of their income from public funds raised by assessment. The pecuniary grants are, practically, confined to local institutions and objects although not necessarily so.

The Bergen society, like all the others, came into existence as a result of the Act amending the licensing law of Norway, passed on 3rd May 1871, which enabled societies to compete as applicants for licences and to hold any number in the option of the licensing authority.

In Bergen the licensing authority is the Magistracy in conjunction with the municipal council; and the revenue derivable from the excise duty on the annual consumption of ardent spirits is estimated in advance by that authority, and is payable half-yearly, also in advance, to the local municipal treasury, by the holders of the licences.

The society has to pay, as well, all the ordinary municipal taxes, including income and property taxes, which are, in Norway, local taxes payable to the municipal treasury.

The transfer of the retail trade in ardent spirits, from the private licensees to the societies, took place by the natural operation of the licensing law, after the amendment which enabled applications for licences from societies to be entertained had been passed by the Norwegian parliament; and the transfer was effected without any obstruction in the supply of ardent spirits for legitimate consumption. The transfer was carried out without any compensation to the displaced private licensees for the refusal to renew the licences they previously held. It displaced 21 private licensees without any real inconvenience to the general public, and was carried out with as little hardship, and as much consideration to the displaced publicans as was possible.

The results of the 13 years experience which have passed since, are in the highest degree encouraging; the vice of drunkenness has received a staggering blow, and the consumption of ardent spirits is immensely reduced; while great financial results have been attained, to the benefit of many deserving institutions, charities and objects of public utility, which, but for the life thus given them, could not have otherwise existed. Statistics of those benefits will be found in the subsequent pages; but there are benefits, incalculable, to the well-being of the community and the domestic lives of many of its members, which have flowed from the society's operations, and these defy all attempts to appraise them in a statistical table.

The census taken on 31st Decbr 1875, consequently one year before the society commenced its operations, showed the population of Bergen to be then 39,300. Allowing for a year's increase of population on 1st January 1877, we may estimate the population to have been 40,000 at the date the society started its business. The census taken on 31st Decbr. 1885 shewed that the population had then increased to 47,075; but on 31st Decbr. 1889, the date at which our statistics close, it was estimated to have increased to 50,000, and the mortality returns are now calculated on that number. There has thus been an increase of 10,000 in the population in the period covered by our statistics, but these make no allowance for the increase of population We would therefore draw our readers' special attention to the fact, that the decreased consumption, decreased number of apprehensions for drunkenness &c. shewn in the statistics, appear in the face of a concurrent increase of 10,000 in the population.

The Bergen society was established with a capital of £ 4,445 held by 69 shareholders — of whom 8 were ladies — and not a single one of them was, we believe, a member of any teetotal society.

The share capital was equal to about 2 *s.* 3 *d.* per head of the population. The amount has not been in-

creased since, and the society has, on the average of the 13 years it has been in existence, earned about 125 % of net profit **per annum,** in support of the class of institutions, charities and objects of public utility before referred to.

The first suggestion to form a society in Bergen emanated from the Magistracy, in a proposal to the municipal council, made on 30th Sept. 1873, that the city should take advantage of the Act amending the licensing law; and that the licensing authority should grant a monopoly of all licences to retail ardent spirits and spirituous drinks to a society such as the Act contemplated, if such a society could be formed among the citizens for the purpose. The suggestion remained in abeyance till 27th May 1874, when the municipal council nominated a committee of 3 of its members to consider the question; and to take the necessary initiatory steps to form a society — if considered desirable — to conduct the retail trade in ardent spirits and spirituous drinks in Bergen. The committee reported, on 1st December 1874, strongly in favour of the proposal, and that it had issued an invitation to the citizens to form a society for the purpose.

A society was formed in reply to this invitation and held its first general meeting on 26th November 1874, at which articles of incorporation were adopted and a Directorate elected. The capital was fixed at 80,000 *kroner* (£ 4445). Two days later the directors informed the Magistracy of the formation of the society, and sent in an application for a monopoly of all licences within the municipal boundary to sell spiritous liquors in quantities of less than 40 litres at a time, the monopoly to take effect on 1st January 1876. By resolutions of the licensing authority, dated 10th and 28th December 1875, the monopoly was granted; but out of consideration for the displaced publicans a year's further grace was given them, so that the society's monopoly was granted to take effect first on 1st January 1877.

The articles of incorporation were thereupon submitted for the approval of the municipal council, and subsequently to the crown, and were eventually sanctioned under the royal seal on 18th May 1876.

The original articles of incorporation have been slightly amended since then. The amended articles were duly approved by the municipal council, and sanctioned under the royal seal on 11th November 1881. The only differences we shall call our readers' attention to, between the original and the amended articles, are, the important ones, first, that in the amended articles the society extended the original subject of its operations, and included the retail trade in Wines and Ales as, also, a subject which the society took power to deal with; and, second, that instead of the grants from the surplus being voted over by the general body of shareholders, the grants are by the amended articles voted over, now, only by the Directors and committee of management in conjunction.

We subjoin herewith a translation of the Society's existent articles of incorporation, consisting of 19 articles.

§ 1. The object of the society is, to undertake in Bergen, all retail service of ardent spirits and spirituous drinks across the counter, and the sale of same in smaller quantities than 40 litres, also, as occasion may arise for it, to undertake the retail service of Ales and Wines &c. across the counter.

§ 2. The possible profits of the Society's trading shall be devoted to objects of public benefit and utility.

§ 3. The Society's capital shall consist of at least 80,000 *kroner,* in 400 shares of 200 kroners each. No shareholder shall be responsible for a larger sum than the nominal amount of his share.

§ 4. The shares shall be registered in the name of the shareholder.

§ 5. Transfer of shares must be submitted to the Directors and be subject to their approval.

§ 6. The Society's affairs shall be managed by a directorate of 5, and a committee of 40 members. The directors and 25 members of the committee shall be elected from among the shareholders at the general Meeting of the Society; whereas the other 15 members of

the committee shall be nominated by the municipal council, from or outside the list of shareholders. The general Meeting of the Society shall also elect 3 director's substitutes, to serve in case of accident, illness or death. The directors shall elect from their own body a chairman and vice chairman, and apportion the society,s business among themselves; and at least 3 directors must be present to adopt a valid resolution.

The committee shall meet the Directors to adopt resolutions in respect of the objects of § 15, and, otherwise, as often as the Directors may find the assistance of the committee necessary. At these joint meetings the chairman of the Directors shall preside, and, in order to adopt a valid resolution, at least one half the members of both the Directorate and the Committee must be present at the meeting. In case of an equality of votes the chairman of the Directors shall have a casting-vote.

The committee shall elect from their own body, a sub-committee of audit consisting of 3 members.

The joint meetings of the Directors and the committee shall be open to the general public, unless a contrary resolution is passed by the assembly.

§ 7. Every shareholder shall be bound to accept election to office at the general Meeting, unless good cause is shewn to the satisfaction of the Meeting; but he shall be entitled to decline to accept election during such a length of term as he already may have held office.

§ 8. In each year, at the end of March, two and three members of the directorate shall retire alternately. Of the committee, whose members shall be elected to serve 4 years, 20 shall retire on 1st April 1884 according to lot, viz. 12 of the members of committee elected at the general Meeting of the Society, and 8 of the members of committee nominated by the municipal council. Thereafter, those members of committee who have served the longest term shall retire every second year. The vacancies caused by casual retirements shall be filled up by fresh elections. The substitutes elected to serve as directors, in case of accident illness or death, shall serve for only one year.

§ 9. In March each year a general Meeting shall

be held, at which the preceding year's accounts, made up to 31st December, shall be submitted and a report of the Society's operations be presented. The general Meeting shall transact the following business.

a) Make the elections required by § 6.
b) Appoint two auditors of the Books and Accounts of of the Society and fix their remuneration.
c) Determine, by resolution, any items in the preceding year's accounts to which the sub-committee of audit may find it their duty to direct the attention of the Meeting to.
d) To adopt resolutions in any other matters which the management of the society may submit at the meeting.

Every shareholder is entitled to submit proposals, and to have them submitted for discussion at the Meeting, when the proposal is backed by at least 10 shareholders and forwarded to the Directors one month in advance.

§ 10. Extraordinary general meetings may be called by a resolution of the Directors thereanent, and also when required by 10 shareholders with a certain, stated object.

§ 11. All general meetings shall be called, subject to at least 8 days' notice in the newspapers of the city.

The documents and a statement of the business to be transacted at the meeting, shall be exhibited for the same period at the offices of the Society.

The business of the general meeting shall be presided over by the chairman of the Directors, who shall have a casting-vote in the event of an equality of votes.

Each shareholder shall have only one vote, and voting by proxy shall be inadmissible.

§ 12. The Directors shall take the necessary steps to secure the appointment of Bar-tenders in terms of the Law of 3rd May 1871.

Further, the Directors shall engage an accountant and inspector, as well as such other officers as the conduct of the business may, still further, necessitate. The Directors shall, besides, take the necessary steps to obtain premises, procure furnishings and utensils, and all else that may be necessary for conducting the business.

The Directors shall be empowered to incur obligations on behalf of the society.

Sale or service across the counter shall only take place for cash payment on the spot.

§ 13. The Directors shall fix: —

a) The remuneration of all the society's servants, and give all the necessary instructions for conducting the business.

a) Byelaws for the maintenance of order on the Bar premises.

c) The prices of the various spirituous liquors and other liquors served across the counter, and for delivery in bottles or larger bulk.

§ 14. The account-books of the Society shall be made up, as at 31st December of each year, and the balance shall be closed, at latest, by the end of January in the succeeding year. The audit shall be conducted in such a manner that it closely follows the course of the business, so that the auditors shall within one month, at latest, after the balancing of the Books, have gone through the accounts of the year and issued their report.

§ 15. The shareholders shall be paid 5 % per ann. interest.

The possible surplus arising from the Society's trading shall be placed to the credit of a fixed Reserve Fund, so as to secure the existence of the society, until such fund amounts to the sum of 80,000 *kroner*.

When the amount of the fixed reserve fund has been reached, the entire surplus shall thereafter be applied in terms of § 2; and the Directors shall submit proposals accompanied by detailed explanations for the application of the surplus, to the Committee of Management, which, along with the Directors, shall adopt the necessary resolutions thereanent; not to take effect, however, until the approval of the Magistracy and municipal council has been obtained thereto, nor until they have, thereafter, been submitted to, and sanctioned by the local representative of the crown.

§ 16. The Society's operations shall be subject to the control of the local representive of the crown on

behalf of the crown, and to the Magistracy and municipal council on behalf of the community; which authorities shall, therefore, be entitled to inspect the books and accounts of the societies at all times.

§ 17. The Society may be dissolved, if $^2/_3$ of the body of shareholders, representing at least $^1/_2$ of the capital, do so determine.

A resolution to such effect shall only be adopted at a general meeting, to be held before the expiry of the 1st half of the year; and the dissolution of the society shall not take place until the expiry of the year in which the resolution has been adopted.

§ 18. In the event of the dissolution of the society, any surplus that may be left, after discharging all the society's obligations and after repayment to the shareholders of their capital, shall be applied in terms of § 15.

§ 19. Proposals for a change in the articles of incorporation may be submitted to the Directors by any shareholder, not later than 2 months previous to the holding of any ordinary general meeting, and shall be submitted to such meeting accompanied by the necessary explanations and conclusions based thereupon. When the Directors consider it desirable, they may also submit proposals for change in the articles of incorporation to an extraordinary general meeting of the shareholders.

For the adoption of a proposal for change in the articles of incorporation, at least $^2/_3$ of the votes given shall be necessary, as well as, that half the amount of share capital is represented by the votes of the majority.

Should half the share capital not be represented a new general meeting shall be summoned, due notice being given of the proposed change in the articles of incorporation, which proposed change shall be by it discussed, and such general special meeting shall be entitled to adopt — irrespective of the number of shares represented — a final resolution in the matter, by a two-thirds majority.

If the proposal is adopted, it shall then be submitted for the approval of the authorities.

In all other cases, resolutions on the business of

the society shall be adopted at its general meetings, by a simple majority of the votes of those present.

It will thus be seen, from the articles of incorporation above cited, that, although the society monopolises all licences, the public interest and the interest of the moderate consumers of ardent spirits is perfectly protected against the abuse of the monopoly in a bigotted teetotal spirit.

The Society is bound in the public interest by the following obligations.

1. The Society's articles of incorporation, its regulations and byelaws, have to be submitted for the approval and confirmation of the magistracy and municipal council, and thereafter to the crown for the Royal sanction and Seal.

2. The magistracy and municipal council have the right to inspect the Society's Books and accounts at all times.

3. The municipal council nominates 15 members of the Society's Committee of Management.

4. The appointments of the candidates for the position of tenders of the society's Bars are subject to the approval of the magistracy and municipal council.

5. The number of shops and Bars, necessary to meet the reasonable requirements of the community is fixed by the magistracy and municipal council; who also fix and decide their distribution over the area of the city so as to meet the public convenience.

6. The Society pays into the local municipal treasury, the usual excise revenue payable on the probable consumption for the year, as estimated by the local licensing authority in advance.

7. The Society pays all the other general taxes, as usual, to the municipal treasury.

8. The Society enjoys no privilege not enjoyed by a private licensee, except, only, the right to hold more than one licence. Its obligations are, on the other hand, very different, and such as a private licensee could not undertake.

9. The shareholders cannot profit by the trade, beyond receiving 5 % interest per annum on their shares.

10. The public are so secured, that after payment of the society's working expenses, excise revenue, all taxes, and 5 % interest to the shareholders, the entire net surplus is applied in pecuniary grants in support of the funds of objects of general public utility and benefit; subject, however, to the retention of a sum equal to the capital, to be retained as a reserve fund to secure the society's existence; but this reserve fund also belongs to the public, and becomes applicable in the same way as current annual profits in the event of dissolution of the Society, subject to the repayment of the shareholder's original capital only.

The foregoing are the obligations the Society has incurred to the Magistracy and municipal council on behalf of the community; but it has incurred an additional obligation to the crown in order to obtain the Royal Sanction.

The obligation to the crown is, that the institutions, charities and others, to be benefited out of the Society's surplus, shall be restricted to such, only, as draw no part of their income from the local rates or treasury.

The selection of the objects to be benefited is, subject to that restriction, left to the choice of the Directors and Committee of Management.

The reader will gather from the foregoing, that the monopoly of the licences cannot be abused to the inconvenience of the community; that there is no interference with the sources of revenue to the local treasury, and that the maintenance of the purity of the principle underlying the establishment of the society is absolutely secured.

The Society having been duly constituted and all preliminaries completed; the necessary arrangements were made in the course of 1876, for starting business on 1st Jan. 1877. The establishment of servants the society commenced with was; —

	Salaries
An Inspector and Manager	£ 267
A Cashier and Bookkeeper	„ 167
A Clerk	„ 56
Twelve Bar-tenders at	„ 90
Four Shopmen at	„ 78
A Warehouse-keeper	„ 111
A Stock-keeper	„ 67
Seven Assistant Bar-tenders &c. at	„ 38
Two police Detectives at	„ 78

As will be noticed, the Society maintains 2 detectives in its pay; these are attached to the municipal police although paid by the society. They have the special duty of detecting contraventions of the liquor laws, and performing general police duty in connection with all that is allied to the Society's operations.

The passing of the Act of 3rd May 1871, admitting a society to compete for licences and to hold more than one, sounded the death-knell of the publicans in Bergen, and they soon began to set their houses in order in view of their demise as spirit dealers; but, as the demise was not, however, to take place till 1st Jan. 1877, they had 5½ years grace given them to prepare for the event. As a consequence of the passing of the Act referred to; there were only 21 spirit licences remaining in existence in Bergen, at the date the society's monopoly came into force.

The Society proposed to begin its operations with 16 shops or Bars, and submitted a proposal to that effect for approval and confirmation by the Magistracy and municipal council; but these bodies, in the exercise of their discretion, reduced the number to 14, and the Society therefore started business on 1st Jan. 1877 with 14 shops or Bars, spead conveniently over the area of the town. Of those places of sale, 11 were Bars where drams alone were served across the counter; 1 was a Bar for the service of drams, combined with a shop for sale in bottles; and 2 were shops exclusively for sale in bottles &c.

The estimate of retail consumption, made as required by law in advance, for 1876, the year preceding the Society's start in business, was 480,015 litres; and the licensing authority assumed the same estimate of retail consumption for 1877, and upon that quantity the society therefore paid excise duty. When the transactions of the year were, however, closed, it was ascertained that the actual retail consumption for the year had only been 282,128 litres. The society had consequently been surcharged, and had paid £ 1265 too much excise duty; but which sum, not being recoverable, as stated before, was completely lost to the society.

The Society's original monopoly of the spirit licenses was granted for 5 years from 1st Jan. 1877, and consequently expired on 31st Decbr. 1881, when it was renewed for a similar term. The sum-total of the advance-estimates of retail consumption made by the licensing authority in the 5 years 1877—1881 was 1,530,000 litres, but the actual consumption in the same period was only 1,180,542 litres. The society was, therefore, surcharged excise duty to the extent of £ 8750, which being non-recoverable was a dead loss to it. The Society had, thus, in the 5 years 1877—1881 paid an average of £ 1750 per annum excise duty, on an estimate of consumption made by the local licensing authorities, but which the Society's actual sales showed, eventually, to have been greatly over-estimated.

In subsequent years serious loss has been incurred by the Society in the same manner, although to a smaller extent.

The opening year's operations closed with these results; a diminution of 198,872 litres, or about 42 % reduction, in the retail consumption of andent spirits from the preceding year, and a surplus of £ 5650, or about 127 % profit on the society's capital, after paying all charges, as well as 5 % interest to the shareholders.

In the Director's report upon the first year's operations they say, that, with other contributory causes, "the Society's operations have in a material degree con-" "tributed to diminish immoderate drinking, especially" "dram-drinking, and the Society has good reason to"

"congratulate itself on the results already attained. It" "is certain that the strict control which now exists," "prevents spirits being consumed at Bars to the same" "extent as formerly, and in consequence of that fact" "it has been possible to get the upper hand of brutish-" "ness and riotousness, so that perfect order has in-" "variably been maintained at the Society's Bars."

In October of the same year the Society started a statistical record of the number of persons refused liquors, either on account of inebriation or of tender age. In the 3 months of 1877 enbraced in this record; there were 10,610 refusals to supply liquor to persons who appeared inebriated and to 2202 persons of tender years. We subjoin a statement of the number of refusals to supply liquors during the 13 years the Bergen Society for Retailing Ardent Spirits has existed.

Table I.

Statement of the number of refusals to supply ardent spirits to applicants of tender age, or to applicants appearing in an inebriated condition.

Year	Refusals
1877	51,248*)
1878	36,180
1879	25,530
1880	19,166
1881	17,620
1882	16,726
1883	16,468
1884	16,776
1885	15,185
1886	14,378
1887	13,673
1888	13,067
1889	12,610

*) This number is an estimate only, arrived at by taking the statistics from 1st Oct. to 31st Decbr. 1877 and multiplying the refusals in that quarter by 4.

The statistics on the subject were commenced 9 months after the establishment of the society. The refusals from 1st Oct. to 31st Decbr. 1877 were 12,812 in number, which multiplied by 4 gives the figures stated in the Table as an approximation of the total number for the year.

The above table is very instructive. Were it accompanied by an increase in the retail consumption of ardent spirits, it would be a proof that the control exercised by the Bar stewards had become, as the years rolled on, somewhat lax.

But the diminution in the number of refusals to supply ardent spirits, considered in conjunction with the concurrent diminished retail consumption of ardent spirits shewn in Table 3, shews, clearly enough, were it otherwise doubtful, that the diminution in refusals to supply ardent spirits is not due to any laxity of control exercised by the Bar-tenders, but to an improved condition in the habits of the customers. In fact it denotes, that the customers had become educated to the fact that it was useless to apply for ardent spirits at the Society's Bars, if of tender age or in an inebriated condition. The Bar-tenders have no inducement to exercise a lax control; the character of their Bar, as well as their own personal character would suffer if they did so, and they have no inducement to push the sale, not being in any way interested in the quantity or value of the spirits sold. They are, as stated previously, men of selected, trustworthy character, whose character has received the stamp of the Directors of the Society as well as that of the Magistracy and municipal council. They are therefore intelligent men who know the value of a good character; they are, moreover, paid by a fixed salary, liberal in amount in proportion to the local values of money and labour. They are therefore men who have much to lose and nothing to gain, if they failed in their exercise of control at the Bar under their charge.

In the same report the Directors state: — "That" "drunkenness still flourishes on a great scale in the" "beer-shops is certain, but whether the consumption of" "wines and ales has increased or not, is beyond the" "experience of the Directors; but it appears from" "a report furnished by the police, of the number of ap-" "prehensions for drunkenness in the latest 4 years," "that there is reason to hope an improved condition in" "this respect has been entered upon."

From the police report referred to it appears, that in

1876, the year preceding the starting of the society's business, there were 1186 apprehensions for drunkenness and that the number fell to 1013 in 1877, showing therefore a diminution of 173 apprehensions in the very first year the society commenced its work. We subjoin, in Table II, a statement of the apprehensions for drunkenness, and the charges of shebeening &c. &c.

Table II.

Statement of the number of apprehensions for drunkenness, and of the Summonses issued for offences arising therefrom, or for breaches of the Licensing Laws &c. in the city of Bergen.

Year	Apprehensions and Summonses	Charges of illegal Sale of Spirituous Drinks	Charges of illegal Sales of Wines or Ales
1877	1013	15	No statistics
1878	883	16	Do.
1879	820	11	12
1880	901	8	6
1881	828	9	51
1882	678	6	78
1883	838	16	103
1884	708	15	51
1885	807	14	No statistics
1886	701	10	do.
1887	685	6	do.
1888	728	9	do.
1889	729	5	do.

The Society employs 2 police detectives, appointed and controlled by the Superintendent of the Municipal Police, whose duty it is to detect offences against the licensing and liquor laws, breaches of the Society's monopoly &c. Besides those 2 detectives, the Society has also paid the wages of two special municipal police-constables, to control the Wine and Beer shops and the order in the streets outside those places as far as as possible, and it is to that fact the great rise in the number of offences, recorded in the 4th column of the table, in 1881 and subsequent years is due.

We observe from this table, that the offences specified in the 2nd and 3rd columns diminished concurrently, and we must specially note that they were respectively 1013 and 15 in 1877, when the population of Bergen was 40,000 only; but although the population in 1889 was 50,000 the offences had respectively fallen to 729 and 5, or in other words there were in 1889, 42½ % fewer of the offences stated in the 2nd column, and 87½ % fewer of the offences stated in the 3rd column, than in 1877, when the Society started its work. These figures therefore point, we think, very clearly, to the usefulness of the society's work in aiding the well-being of the community and inculcating improved habits in the people.

The Directors further report, that they had attempted to introduce, experimentally, in one of the Society's Bars the sale of Coffee, Tea, Milk, and Bread and Butter; but had been obliged to abandon the trial, partly by reason of the unsuitability of the premises, and partly from having come to the conclusion that a combination of this description of trading with the trade in ardent spirits was not desirable. The Directors, however, at same time, state their opinion, that the establishment of large, conveniently situated and respectably managed refreshment rooms would be of incalculable benefit to the working classes, and that the establishment of these should become one of the society's earliest duties, whenever means for the purpose were available.

The suggestion was quickly carried out by another society, "The Bergen Coffeehouse Society", formed for the purpose, which established Coffeehouses, and they have been successfully carried on for a good many years now, with good financial and moral results.

In this first year of the Society's existence its two detectives prosecuted 15 persons for shebeening.

In this first report the Directors call attention to the fact, that the Society's monopoly had called a new trade into existence viz. the import of spirits from outside the town boundary, in execution of sales made by agents in the town. The Directors point out, that if such a trade can be carried on unpunished, it will gradually undermine the benefit expected from the Society's work

in the town, and that they therefore had taken the necessary steps to have the legal question involved, tried before the proper tribunals.

The Directors conclude the first year's report by stating, that they had had much ill-will and opposition to overcome and had meet with much lukewarmness from quarters where support might have reasonably been looked for; also, that many unreasonable complaints had been made in respect of the society's operations, but that they looked hopefully forward to a not distant general appreciation of the Society's objects and operations, especially from the class of the community who had most suffered in the past from the evils of the publican's spirit shops.

From what has been said, earlier, of the establishment of the Bergen Society for Retailing ardent spirits; it will be seen that the private holders of spirit licences previous to 1877, were timeously warned that applications for renewals of licences from them would not be entertained, and to arrange their affairs accordingly, and that they had fully $5^1/_2$ years to do that in. They had accordingly begun to retire from the trade before the 1st of January 1877 arrived, so that — when on the 1st Jan. 1877 the private licensees in Bergen awoke to find themselves ousted out of the spirit trade by a set of other licensees who found more favour in the eyes of the licensing authority, because they had the welfare of the community in view alone, and not private gain — there were only 21 licensees remaining to be displaced by the society. No vested interest had been interfered with; licences were granted as before; the sale of intoxicating liquors was not interfered with, simply controlled; the general public of consumers were in no way incommoded, although travellers residing in hotels were undoubtedly subjected to an inconvenience. These results were attained, by the licensing authority simply using its legitimate power and discretion in the public interest, and preferring the Society's applications for the licences to be granted or renewed. We have now, in the most salient features, shown the results that followed on the first year's operations of the society.

Let us now take up the Directors' report for 1878, the second year of the society's work, and examine a few of its more salient features.

The first thing to remark is; the directors report, that it had been determined to reduce the number of Bars to 13, with the consent and approval of the Magistracy and Municipal Council, the 14th Bar having ceased to pay; and that in consequence they were able to reduce the society's staff of servants by one Bartender and an assistent. They further report a reduction of 42,550 litres in the retail consumption of ardent spirits, or about 15 % less in 1878 than in 1877. They then report, that for the prospective year (1879), the licensing authority had estimated the probable retail consumption of ardent spirits at exactly one half of what it was in 1877, the first year of the society's work, and that the excise duty to be paid to the municipal treasury was, therefore, just the half of the sum paid in 1877, and a fourth less than in 1878.

Here we see, clearly brought out, the two most distinct issues of the question from the social economist's point of view, viz. 50 % less retail consumption of ardent spirits with corresponding improvement in the habits of the community; attained at a loss of 50 % of the receipts from excise duties to the local municipal revenue.

The report next states, that the directors had endeavoured to trace the quantities of spirits despatched to the rural districts, and they had been able to do so to a considerable extent with the assistance and cooperation of the steam-ship companies, and the investigation of this subject had shewed, that in 1877 there was almost 10 % less of ardent spirits forwarded to rural districts, from Bergen, than in 1876; while in 1878, the year of the report we are speaking of, the quantity had fallen to rather more than 30 % less. This feature we believe is due to the fact, that a good deal of what was ordered by country consumers was in quantities not exceeding 40 litres, which could therefore only be had from the society. No credit being

given many purchasers of those small quanties could not buy, credit being a necessity with them.

In the Report the Directors repeat their belief that the operations of the Society have had a most beneficial effects in reducing drunkenness, and state, that the control and, universally acknowledged, good order maintained at the Society's Bars had had the best results.

The report then deals with the number of persons refused liquors owing to inebriated condition or tender years. This is the first report in which actual statistics on the subject, embracing the complete year, are found; 36,180 refusals to supply liquors were recorded in 1878.

The Report then deals with the number of apprehensions for drunkenness as stated by the police authorities. The number of apprehensions, which in 1877 were 173 less than in 1876, were in 1878, 130 less than in 1877, shewing a progressive inprovement. The Directors in connection with this subject state, "that" "as long as the retailing of Wines and Ales is permit-" "ted to proceed without control, the influence of the" "Society's operations in dealing with drunkenness can-" "not be destinctly traced."

The report afterwards states that 16 persons had been prosecuted by the Society's detectives for shebeening &c. or 1 prosecution more than in the preceding year.

The Report then goes on to state, that the trade of supplying liquors from outside the town, referred to in the preceding year's report, had been stopped; the legal tribunals having given judgment in the society's favour and pronounced such traffic to be illegal.

The surplus for the year after paying all charges and the shareholders' interest was £ 4595, or nearly 104 % on the capital.

The Report winds up by stating, that the hope expressed in the preceding year's report, that a better understanding of the Society's object and operations would soon prevail, had been largely fulfilled, and that the year's work had gone on smoothly and peacefully, without any other unpleasantness than what was unavoidable in an institution of the peculiar nature of the society, especially in its earliest years.

We now pass on to examine the society's operations for 1879, the third year of its work. The Report for this year intimates a reduction of 23,092 litres in the retail consumption of ardent spirits from the preceding year, or a little more than 10 % less consumption. It, further, states, that the sales of ardent spirits by the bottle had been diminished by 8 %, while the sales in ½ bottles had increased by 12 %. That circumstance points to greater moderation in the use of spirits, as well as to a reduced total consumption.

The Report then deals with the statistics of the quantities of ardent spirits forwarded from Bergen by the Steamship Cos. to the rural districts, and states, that the quantity forwarded was just about 45 % less than in 1876, the year before the society started business, and about one fourth less than in 1878.

Speaking of the order maintained at the Bars, the Report states, that it had been quite effective, and that the aid of the police being called in was quite an exceptional circumstance.

The report then goes on to state, that in 1879 the number of refusals to supply liquors to inebriated persons or persons of tender years was 25,530, or 10,650 fewer refusals in 1879 than in 1878. That feature does not, however, indicate greater liberality on the part of the Bar-tenders; it is the consequence of the public having become educated to the fact, that it was useless for persons of tender years, or for inebriated persons to present themselves as customers at the Society's Bars.

The Report afterwards speaks of the statistics of apprehensions for drunkenness, and states that the police authorities reported 820 apprehensions in 1879 against 883 in 1878, a diminution of 63 for the year.

The Report next states, that the Society's detectives had prosecuted 11 persons for shebeening &c. and 12 others for illegally selling Wines or Ales to inebriated persons.

It then winds up, by stating that the surplus of the year was, after paying all charges and shareholders' interest £ 4905, or a little more than 110 % for the year. The profit was more than in the preceding year,

while the consumption was less. This anomaly the directors explain to be due to the fact, that the society's expenses were greatly reduced in the year reported on, especially in the matter of the excise duty, which was more proportionate to the actual consumption.

From the Report of 1879 we learn, that the number of shareholders had increased from the original 69 to 133, or nearly double; and that teetotalers, if any at all, were quite exceptionally shareholders. There was no increase of capital, so that the increase in number is due to other reasons. Those reasons were, a better understanding of the Society's aims and its mode of attaining them, as viewed in the light of the experience of the preceding 3 years' of the Society's working, and an increasing sympathy with its work; also the desire to obtain votes in the disposal of the surplus in favour of some public object which individual shareholders might desire to support. From this cause, also, the shares came to command a considerable premium above their intrinsic value as a 5 % investment.

Continuing our examination of the Society's work we turn to 1880 the fourth year's Report. In it the Directors report a continued diminution in the retail consumption of ardent spirits. The consumption in 1880 had been 3851 litres or nearly 2 % less than in 1879. It further states that the Steamship Cos. reported an increase of about 6½ % in the quantity of ardent spirits forwarded in 1880 from Bergen to the rural districts. The Report states, that 19,166 refusals to supply liquors took place in 1880 as against 25,530 in 1879; showing clearly enough the increasing education of the customers in respect of the control exercised by the Bar-tenders.

The Report then deals with the statistics, supplied by the police authorities, of the apprehensions for drunkenness, which show an increase of 81 apprehensions in the year, but it explains that this feature is due to the construction of the Bergen—Voss Railway, and that the persons apprehended for drunkenness were, largely, the railway navvies working temporarily in the town and immediate neighbourhood.

The Report states that the Society's detectives had prosecuted 8 persons for shebeening &c. and 6 persons for illegally selling Wines and Ales.

The Report for this year deals with a new subject, viz. the scientific investigation of the effects of the consumption of the various kinds of alcoholic drinks. The directors state, that the results of the investigations made by scientific experts, under the society's instructions, have tended to shew, that the effect of the consumption of alcoholic liquors injurious to health, stands in a direct relation to the raw material from which the alcohol is derived and to the impurities contained in the distilled product. The Directors had, therefore, taken the necessary steps to secure the supply, and to deliver to the Society's customers spirits free from fusel oil instead of the potato spirit so much in use in Norway, which contains a large proportion of fusel oil. The report further states on this point, that experience already obtained by the tentative sale of spirits free from fusel oil, in bottles as well as in drams across the counter of the society's Bars, gives good reason to believe that the Directors efforts to effect an improvement, in the direction indicated, have been appreciated.

The Report for 1880 also introduces another new subject, viz. the supply of labourer's waiting rooms in convenient situations throughout the city. The Directors had taken steps to open 3 such places during the year, in convenient situations, and in two of them to secure the supply of meals at moderate prices. The report states, that these waiting rooms had been of great benefit to the class for whose use they were intended, and were being already much appreciated. No intoxicating liquors were sold in connection with these waiting rooms.

The Report winds up with a statement of the surplus for the year, which was, after payment of all charges and shareholders' interest, £ 4720, or about 106 % profit on the society's capital.

We now turn to the Report for 1881, the last of the five years for which the society obtained its original monopoly of the spirit licences.

This Report states the retail consumption of ardent

spirits to have been 229,703 litres, or 17,062 litres more than in the preceding year. The increase may be assumed to have been almost entirely due to the progress of the railway works referred to in the previous year's report as in progress in the vicinity of the town; still the figures show a diminution of 20 % in the annual consumption since 1877.

The Report then goes on to state, that the local licensing authority's estimate of the probable retail consumption of ardent spirits had been for the period of the society's monopoly 1,530,000 litres but that the actual consumption had only been 1,180,542 litres; so that the society had been surcharged the sum of £ 2590 in excise duty, which, being a non-recoverable payment, was a dead loss to the society.

Then the Report states, that the quantity of ardent spirits forwarded from Bergen to the rural districts was about 1½ % more in 1881 than in 1880. This increase, although small, was no doubt due to the presence of a large body of labourers engaged on the railway in course of construction through the districts near the city; still the quantity forwarded by the steamship companies in 1881 was fully 33 % less than in 1877.

The Report next deals with the apprehensions for drunkenness as reported by the police authorities. The number of apprehensions was 738, but there were, besides the actual apprehensions, 90 summonses for drunken offences. If we treat the summonses for our statistical purpose as equivalent to apprehensions, we obtain 828 apprehensions in 1881, as against 901 in 1880; a diminution of 73.

The Report next states, that the society's detectives had prosecuted during the year 9 persons for shebeening &c. and 51 persons for illegal sale of Wines and Ales.

The Directors in their report state, that drunkenness has certainly diminished, but that no great improvement from the one year to the other could be expected, so long as the retailing of Wines and Ales is permitted in the way existing, without proper control.

The Report states, further, that in the past year 17,620 refusals to supply liquors had been recorded, or

1,546 fewer refusals than in the preceding year; the diminution being caused, as before stated, by the better knowledge among the proposing customers that inebriated persons and persons of tender years need not present themselves as customers at the Society's Bars.

Then the report goes on to speak of the introduction of fusel oil free spirits, and states, that for the last 9 months of the year, only fusel oil free spirits had been supplied by the society, and that the old potato spirit containing fusel oil was no longer supplied to any customers.

The Directors report the continued appreciation of the labourers waiting rooms opened in the preceding year, and that they had opened another one.

The Report winds up by stating, that the surplus for the year, after payment of all charges and shareholders' interest, was £ 5,695, or fully 128 % on the society's capital.

The increased profit, in the face of diminished consumption, is explained to be owing to diminished expenses in the conduct of the business, but chiefly to the more equitable estimate of the consumption made by the licensing authority, and to a consequent smaller surcharge of excise duty.

The Society's monopoly of the licenses expired on 31st Decbr. of this year; but was renewed for 5 years, to expire on 31st Decbr. 1886, and again in 1886 for 5 years to expire on 31 Decbr. 1891. At the close of the first five year's monopoly we have dealt with in the foregoing, the shareholders numbered 150, an increase of 81. The shares could in no case return more than 5 % to the holder, which was no more than the current value of money on mortgage security, so that, as an investment, the shares were only worth par, but still they were eagerly bought at a premium whenever they were to be had in consequence of the decease of an original shareholder or from any other cause; and holders of several shares became exposed to the importunities of friends to part with one.

There were 400 shares issued, originally held by 69 persons, but at the close of the period we have dealt with they had become, as just stated, spread over 150 persons; a significant sign of the increased interest and sympathy

among the public for the society and its object. Indeed the benefits of the society were by this time fully acknowledged, and the only objection that now was heard was, that the Society's monopoly caused inconvenience to hotel visitors; an objection which is well founded, it is true, but which bears no proportion to the benefits conferred on the general community, and if the Directors of the Society saw fit to do so they could remove that objection in the same manner as has been done in Christiania viz. by granting dispensations in favour of certain chief hotels, but in doing so committing an injustice towards the smaller and less important hotels.

Having shewn, in what has preceded, the nature and progress of the Society's operations, and the progress of public opinion in regard to them during the original five years' term of the Society's monopoly of the licences; we will leave the examination of the annual reports for the present, and refer the reader, generally, to the summarised statistical Tables, although we will speak later on of some new interesting features treated of in subsequent reports. At present we will speak of the Society's Bars and their management.

As previously stated, the society is bound to supply as many Bars, spread over the area of the city as the Magistracy and Municipal Council may decide to be necessary to meet the reasonable requirments of the public. The Bars are presided over by Stewards, with an assistant or assistants if necessary. These are required to personally serve the liquors, only in the Society's own glasses and bottles and for immediate cash on delivery across the counter. The stewards are carefully selected men of trustworthy character, and their appointment is subject to confirmation by the Magistracy and Municipal Council. The stewards receive a salary of £ 90 and assistants £ 38. The stewards indent upon the Society's warehouse for what liquors they require to maintain the stocks of the Bar under their charge, and they are held responsible for the value. The cash received at the Bars is paid daily to the cashier at the Head-office, and the stewards render a statement of unsold stocks once a-week; while an inspector checks the stocks and sees

that they correspond with the accounts kept at the Head-office. The cash received at the Head-office and the value of the unsold stock, must balance the account of the Bar kept at the Head-office.

The stewards are, thus, in the position of agents, paid by a fixed salary and responsible for the care and value of the goods entrusted to them to sell on behalf of the society. They have not a farthing of interest in any profits of the sale, and are bound by strict instructions as to the general conduct of the trade at the Bars under their charge. The tariff of prices is approved and confirmed by the Magistracy and Municipal Council, and is prominently exhibited in the Bar premises, as are, also, printed copies of the byelaws for the regulation of the trade and the maintenance of good order among the customers.

The Bar premises are quite plainly fitted out, without the slightest glitter of the gin-palace; they are kept clean and respectable, while the stewards and assistants are exhorted to exhibit every courtesy in dealing with the customers. There are no seats of any kinds provided, no private compartments, nor any conveniences for loitering on the premises. There are no Barmaids, only men in uniform, each with a distinguishing number on his collar to enable his identification in case of complaints. The Bars are not permitted to be used as a lounge for the lazy and dissipated as no loitering on the premises is permitted. Persons of immature age, or children, are not permitted to enter the premises. In short, all the attractions of a gin-palace are conspicuously absent.

Subjoined, we give a copy of the byelaws for regulating the trade at the Bars and for maintaining order among the customers.

BYELAWS.

§ 1. These premises are kept open every working day, from 8 o'clock morning til 12 noon; and from 1½ o'clock afternoon till 8 o'clock evening, except upon the day preceding Sundays and holy festivals, when they will be closed at 5 o'clock afternoon.

§ 2. Service of spirits is only permitted in the Society's own glasses, and payment must be made immediately on delivery.

§ 3. The Bar-tender is not permitted to serve spirits to any one in an inebriated state, or to serve any customer with such a quantity as may be anticipated to cause intoxication.

§ 4. When the liquor served has been consumed, the customer is required to immediately leave the premises; nor is a lengthy stay at the Bar permitted. Children are not permitted into the premises.

§ 5. It is required of customers that they conduct themselves quietly and respectably. Whoever causes disturbance will be immediately ejected.

§ 6. The maintenance of order and good behaviour will be rigorously enforced. All are required to leave the premises, immediately on being requested to do so by the Bar-tender. Anyone failing to comply, or in any other manner causing annoyance or disturbance will be prosecuted.

§ 7. Customers are not permitted to treat the Bar-tenders.

From what we have said the reader will have gathered, that the attractions offered by the spirit Bars in Bergen, under the society's regime combined with a rigorous adherence to the byelaws, shew clearly enough that the lines of the immoderate consumer of intoxicating drinks are, in Bergen, not cast in pleasant places, although eminently respectable places, while the temperate consumer has no difficulty in getting all legitimate wants supplied.

Returning again to a consideration of the reports, we observe in the Society's Report for 1882 two new features of interest to our subject.

The Directors here refer to the prejudicial effect of the uncontrolled sale of wines and ales, and state, that it had been determined to raise a fund, by appropriating a portion of the annual surplus, to buy up the existing

privileges to sell wines and ales, and that the manager had been collecting the necessary information on the subject, so as to enable it to be dealt with by the society. The Directors had considered it desirable that the society should obtain some personal experience before proceeding any great length in this direction, and had therefore applied to the licensing authority to grant to the society two licences for 1883, to retail wines and ales, which application had been granted.

The second feature of interest is, that the directors report, that by arrangement with the Police Superintendent they had undertaken to pay for two special constables to control the wine and ale licensees' operations, and that these police functionaries' services had been, according to the police Superintendent's report, of great benefit in improving the condition of affairs and preventing the disorders that had previously been so frequent in those wine and ale shops and in the streets outside them; also, that many of the inhabitants of the premises in the neighbourhood of those objectionable places, had expressed themselves as grateful for the improvement effected by means of the Society's liberality in paying for those two special controlling officers.

In the Society's Report for 1883 there are again some special features of interest.

The extra police assistance is found to have been very beneficial, as may be gathered from the fact that 103 persons had been fined for contraventions of wine and ale licences, which is twice as many as in the year preceding the engagement of the 2 special controlling constables.

In this year a fifth labourer's waiting room had been opened.

The Report, further, gives a statement of the trade done in Wines and Ales under the 2 licences which the Society had acquired for 1883. One of the licensed places had not paid its expenses while the other had been profitable, but there had been a loss on the two combined of 6 *l.* The Directors state, that the result is better than was expected, and that 3118 inebriated

persons, or persons of tender years, had been refused supplies at those two places.

The Directors report that there were 60 wine and ales licences or privileges existing in Bergen; and that they had applied for a third wine and ale licence for the society, for 1884, which application had been granted. The Directors explain, that they have not considered it prudent to undertake more of those wine and ale licences until further experience of this trade had been obtained; they were proceeding experimentally, and were endeavouring to ascertain what the annual amount of wines and ales consumed in Bergen really was.

The directors further state, that they had at various times had the spirits and ales purchased by the society for supply to the public, analysed by chemical experts with the result, that the ales had been declared free of any chemical additions injurious to health, and that the spirits had been declared free from fusel oil. Those chemical investigations would be continued.

In the Report for 1884 we find, that the labourer's waiting rooms continued to be a great success, and were now provided with newspapers and magazines for the use of the frequenters. The result of the year's trade under the 3 wine and ale licences held by the society, had been scarcely 2 *l.* 10 *s.* of profit.

In this report the Directors take up a new subject. The chemical investigations started in 1883 had been continued, but also extended in another direction.

The Directors state, that under ordinary circumstances taste is the only means of controlling the quality of spirits, as the spirit gauge only indicates alcoholic strength but not whether the liquor contains possible prejudicial additions. As those added substances often act more prejudicially than alcohol itself, the society, even with the best obtainable sources of supply, especially in respect of foreign spirits, can never be certain of the quality of what they receive, and the investigations have been directed to discover easily applied practical tests of the quality of spirits offered to the public for sale by the distilleries.

Another question it had been attempted to solve was, the influence of storing on the quality of the various kinds of spirits, so as to enable them to "ripen", if necessary, before being supplied to customers.

The Professor of Chemistry in Christiania University had nominated a professional expert to undertake the investigations on the Society's behalf.

In the Report for 1885 we find a new feature stated. The persons apprehended are here distinguished into two classes, habitual drunkards and accidental or occasional drunkards, and it is pointed out that the first class appear repeatedly in the sum total. The persons apprehended for drunkenness are also classified according to residence, viz. urban or rural inhabitants.

Another licence to retail wines and ales, making now the fourth, had been granted to the society. The loss on this trade had been for the year, almost £ 150, caused, however, by some extra outlays in adapting premises, to make them more suitable and comfortable.

Attached to the Society's Report for this year is a memoir on the subject of the investigation of Alcoholic Drinks, by Dr. Jac. G. Otto of Christiania University. This memoir possesses much interest, but as it is outside the subject of local option we must per force omit it here. We may, however, as a matter of interest indicate, that the memoir treats of the action of alcohol on the human organism, the process of passing from sobriety to drunkenness, and the development of the drunkard's taste. It, further, deals with fusel oil and prejudicial elements introduced into spirits, their action as distinguished separately from the action of alcohol, the effect of storing spirits &c. &c. One result of Dr. Otto's investigations had been to prove, that fusel oil does not act in the prejudicial way supposed previously, but that it is the alcohol itself that produces the effects that had been attributed to the presence of fusel oil in it.

Attached to the Society's Report for 1886 is a continuation of Dr. Otto's memoir on the subject of his scientific investigations, especially regarding the changes produced in spirituous liquors by storing them.

In the Society's Report for 1887 Dr. Otto adds the results of his researches during the past year, on the subject of alcoholic drinks, the effects of adulteration and the adulterating substances employed, effects of storage &c.

In the Society's Report for this year we are informed, that Dr. Otto had been removed by death before his interesting investigations had been brought to a conclusion. An interesting feature in the report is the Directors' statement, that they had on their own authority, in expectation of their action in the matter being subsequently approved by the Committee of Management, granted the sum of £ 140 to help an industrial school to tide over a pressing pecuniary difficulty; and also the sum of £ 220 as assistance to deserving artisans to visit the Exhibition at Copenhagen held in this year.

In the Society's Report for 1889 we find, that the Directors had, during the winter months from 1st Oct. to 1st April, closed the Society's Bars and Wine and Ale shops at 7½ evening instead of at 8 o'clock, and that they had given up, experimentally, one of the wine and ale licences the Society had held.

The Society's accounts are balanced on 31st Decbr. of each year, and the divisible surplus is declared as soon as possible thereafter. Institutions, charities and others, desiring a pecuniary grant from the Society out of the year's surplus, send in an application to the Directors prior to the general meeting in March. The Directors and Committee of Management consider the applications, in a Meeting held with open doors, and grants are made or refused by a simply majority of votes.

Beyond the general nature of its destination, no one has a direct interest in the surplus, and not even the institutions, societies and others to be eventually benefited are known, until after the surplus of the year has been declared, and applications for grants received and considered upon their merits, in regard to the sum prayed for and the public utility of the object for which the pecuniary grant is claimed.

Having now made the reader acquainted with the establishment and working of the Bergen Society for Retailing Ardent Spirits, we turn to a consideration of what its statistics shew of general interest.

Table III.

Statement of spirituous drinks sold by The Bergen Society for Retailing Ardent Spirits, in quantities of less than 40 litres at a time.

Year	Sold in Drams; consumed at the Bars	Sold in Bottles; not consumed on the premises	Sales at chief Warehouse; not consumed on the premises	Total
	Litres	Litres	Litres	Litres
1877	99,967	161,013	11,344	272,324
1878	87,798	135,796	7,658	231,252
1879	71,247	129,625	8,097	208,969
1880	66,126	131,285	7,841	205,252
1881	71,017	142,473	8,230	221,720
1882	73,407	148,248	6,648	228,303
1883	74,519	151,534	6,685	232,738
1884	77,461	156,867	6,703	241,031
1885	79,227	151,244	5,764	236,235
1886	81,034	146,210	11,225	238,469
1887	82,260	138,374	20,295	240,929
1888	80,031	132,451	24,937	237,419
1889	81,656	144,840	26,896	253,392

We have previously pointed out, that in 1876, the year before the establishment of the society, when the trade was in the hands of private licensees, the licensing authority had, in the light of past experience, greatly overestimated the probable consumption for 1877, and that the actual consumption (272,324 litres) in that year was only about the half of the licensing authority's estimate. We must read the above table, therefore, in the light of that fact, so as to fully realize the diminution in consumption it really points to. Then there is another most important fact not to be lost sight of. The population of Bergen in 1877 was estimated at 40,000 whilst in 1889 it was estimated at 50,000. Making allowance for the increase of population in the period

the table covers, the above figures show fully 25 % less consumption in 1889 than in 1877. A great diminution is visible in the consumption of 1879 and 1880, caused by depressed trade. The staple trade of Bergen is connected with the fishing industries and is a very uncertain one, which is reflected on the local consumption of intoxicating liquors.

Table IV.

Statement of spirituous drinks sold at the chief warehouse of the Bergen Society for Retailing Ardent Spirits, in quantities exceeding 40 litres at a time.

Year	Litres
1877	9,739
1878	9,287
1879	5,582
1880	4,892
1881	9,398
1882	8,160
1883	6,893
1884	7,440
1885	1,912
1886	1,050
1887	805
1888	979
1889	1,095

We supply the above table, to shew how very small a proportion the society's wholesale transactions bear to its retail trade. As wholesale dealers in ardent spirits the society enjoys no monopoly. The society having a monopoly of the retail trade inside the municipal boundaries, the wholesale dealers have no customers within those boundaries; but there is nothing to prevent them supplying quantities exceeding 40 litres at a time to customers in the rural districts. The quantities stated in the above tables, may be assumed to be orders from country traders, executed by the society in the capacity of wholesale spirit dealers in competition with other wholesale spirit dealers.

As will be seen, the Society's wholesale trade, never very important, has grown beautifully less in the course

of the 13 years covered by the Table; it is therefore no very formidable opponent to the wholesale spirit merchants. The Society gives no credit, while the private wholesale spirit merchants do, a fact that sufficiently explains the society's small wholesale trade.

Table V.

Statement of the number of licensed Shops or Bars for the Sale of spirituous Drinks, also of Wines and Ales, in Bergen.

Year	Shops or Bars for sale of Ardent Spirit monopolized by the Society	Wine and Ale shops in hands of private persons, by licence or privilege	Wine and Ale shops in hands of the Society
1877	14	60	—
1878	14	60	—
1879	14	60	—
1880	13	60	—
1881	13	60	—
1882	13	60	—
1883	13	58	2
1884	13	57	3
1885	13	56	4
1886	13	56	4
1887	13	56	4
1888	13	56	4
1889	13	56	4

The first thing that calls for remark in this Table is the fact previously stated, that in view of the Society monopolizing the spirit licences on 1st Jan. the private licensees had begun to withdraw from the trade, so that the number of them still remaining in it in 1876 was only 21. — On 1st Jan. 1877 the Society monopolized the licences, and, with the approval of the Magistracy and Municipal Council, at once reduced the number of Spirit Bars to 14 as being sufficient to meet all legitimate public wants. The next thing to remark is, that the Society was able in 1880 to still further reduce the number of Bars to 13. The 14th Bar was, owing to diminished consumption, no longer paying its expenses and was therefore closed. In 1882 the Society adopted a resolution,

to set aside a portion of the annual surplus to form a fund with which to buy up the existing privileges to sell wines and ales — independent of a municipal licence — with the view of extinguishing them, and thereafter monopolizing the Wine and Ale shop municipal licences. A beginning was at once made to undertake competition with private licensees, by opening 2 Wine and Ale shops in 1883, subsequently extended to 4. These are being worked experimentally. The fund to buy up the Wine and Ale shop privileges amounts at present to £ 1850.

In the experience of the Society's Wine and Ale shops, the consumption of those liquors was 9 % more in 1889, than in 1885. This points, therefore, to an increase in the consumption of Wines and Ales concurrently with a decrease in the consumption of ardent spirits; but the decrease is much more than the increase.

Table VI.

Abstract Statement of the Profit and Loss Account of the Society for the 13 years it has been in operation.

	Dr.	Cr.
Gross Profit	£	£
After payment of Salaries and all the ordinary working expenses from 1st Jan. 1877 to 1st Jan. 1890 .		112,410
Expenditure		
Interest to Shareholders from date of call to 1st Jan. 1877	30	
Interest to Shareholders at 5 % per annum for 13 years	3,110	
Excise Duties paid to the Municipal Treasury from 1st Jan. 1877 to 1st Jan. 1890	25,185	
Communal Taxes paid from 1st Jan. 1877 to 1st Jan. 1890	5,120	
Balance	78,965	
	112,410	112,410

	Dr.	Cr.
	£	£
Net Surplus in the 13 years from 1st Jan. 1877 to 1st Jan. 1890 — applicable in grants in aid of the funds of Institutions, Charities and other objects of general public utility, dependent on the voluntary support of the public alone . .		78,965

We have rendered this statement in the above form so as to summarize the benefits derived by the shareholders, the Municipal Treasury and objects of public utility respectively.

We observe first, that the shareholders' benefit was restricted to £ 3140, altogether, in $13^{6}/_{52}$ years; the item of £ 30 interest is for 6 weeks' interest at 5 % per annum on the capital from the date of the call, prior to commencing to exercise the licences on 1st Jan. 1877.

The Municipal Treasury, it will be observed, received in the 13 years, £ 25,185 of excise duty and £ 5,120 of ordinary communal taxes; and was therefore no loser except by diminished excise revenue caused by diminished consumption.

The Public was a gainer to the extent of £ 78,965; that sum having been earned for the benefit of local institutions, charities, and other objects of general public utility.

In other words the Society has earned on behalf of the public, an average profit of 127 % on its capital, **every year** since it commenced its operations. The disposal of that profit will be seen in the following Tables.

The **indirect gain** to the public from the Society's beneficient work is perfectly incalculable, and our statistics totally fail here. We must leave the reader to estimate that item for himself, after a thoughtful consideration of the facts stated in our pamphlet.

Table VII.

Abstract Statement of the application of the net surplus of the Society, in the 13 years it has been in operation. The account is closed on 31st December 1889.

Net Surplus	Dr.	Cr.
	£	£
Applicable in grants in aid of the funds of Institutions, Charities and other objects of general public utility, dependent on the voluntary support of the public alone . . .	78,965	
The Application		
The Reserve Fund, as provided by § 15 of the articles of incorporation*)		4,445
Purchase of business premises and fittings &c. improvements and alterations, depreciation &c.**) . .		10,365
Paid away in grants in aid of the funds of objects of public utility dependent on the voluntary support of the public		64,155
	78,965	78,965

*) This sum is an unappropriated profit, retained as a reserve fund in accordance with the articles of incorporation.

**) This sum also belongs to the public, and is represented by the premises &c. of the society. Its value is therefore subject to realisation. Upon realisation, owing to the dissolution of the society, the sum realised will fall to be added to the year's surplus and be appropriated in grants along with the income.

The balance £ 64,155 represents the actual cash paid out in the 13 years of the society's operations, in grants to objects of public utility; that is the same as to say, that the society has paid **each year**, on the average, the sum of £ 4580, in cash, in support of objects of public utility — that is 103 % per annum on the society's capital.

If we take the average of the population for the 13 years embraced in the society's operations, the above sum is equal to 2 *s.* 0¾ *d.* sterling, per head of population, given away annually in aid of objects of public utility — truly the **spirit trade is a profitable one, when it can produce such results as these.**

Table VIII.

A Complete Statement of the sums granted, in support of the funds of Institutions, Charities, and other objects of general public utility, out of the Surplus of the Bergen Society for Retailing Ardent Spirits, since it commenced its operations to 1st Jan. 1890.

	Dr.	Cr.
	£	£
The total amount of Surplus, available for immediate Grants		64,155
The Grants.		
1. The Ulfnæsö Refuge . . . . (An Institution established in the vicinity of Bergen, to provide a Home, and training for neglected or criminally disposed boys.)	7,620	
2. The Bergen Tree Planting Society (A Society formed to embellish the city of Bergen and the immediate environs by systematic planting of trees.)	4,770	
3. The Bergen Museum	4,890	
4. The "Anna Jebsen's" Girls Orphanage	1,335	
5. The Bergen Boy's Home	2,445	
6. The Workman's Union Asylum	450	
7. The Workman's Union New Asylum	1,430	
8. The Bergen Total Abstinence Society	210	
9. The Magdalene's Home and Refuge	2,845	
10. The Sandvik Children's Home . . (Sandvik is a suburb of Bergen.)	555	
11. The Bergen New Total Abstinence Society	270	
Carried forward	26,820	64,155

		Dr.	Cr.
		£	£
	Brought forward	26,820	64,155
12.	*The National Total Abstinence Society	665	
13.	The Bergen Home Mission Society	665	
14.	The Bergen National Theatre . . (The Theatre is not a private enterprise conducted for profit. It is an institution conducted by a committee of citizens; its aim being to elevate the public taste and encourage national histrionic art. It is carried on at a considerable loss.)	2,560	
15.	The Bergen Public Library . . . (There is a comfortable reading-room attached, for the use of readers consulting the volumes contained in the library. The institution is rapidly extending its usefulness.)	2,610	
16.	The Bergen Labourer's Waiting Rooms . . . . . (There are now 5 of those waiting-rooms, entirely supported and maintained by the Society for retailing ardent spirits. No liquors are supplied, but at 3 of them plain solid food may be obtained at a low price.)	3,070	
17.	The Bergen Seaman's Home . . (Open to seamen of all nationalities. Many British seamen find a temporary home here during the year.)	1,280	
18.	The Bergen Sicknurse's Institution (An institution for training and providing sicknurses.)	1,905	
	Carried forward	39,575	64,155

		Dr.	Cr.
		£	£
	Brought forward	39,575	64,155
19	The Nygaard Park Society . . . (A Society that has provided and laid out a fine public park, to be handed over to the municipality as soon as the debt remaining on it has been wiped off, which it soon will be by annual grants from the society.)	5,085	
20.	The Bergen Society of Abstainers from alcoholic drinks	390	
21.	The Society's Redemption Fund (A sum set aside for the purpose of redeeming privileges to retail wines and ales, which are independent of the municipal licence. The society hopes, eventually, to monopolise the licences to retail wines and ales; but to do so must buy up certain privileges that are independent of a municipal licence.)	1,835	
22.	The School Board Commissioners (A fund expended annually by the commissioners, in defraying the expenses of delicate, diligent children in sending them to spend their holidays in the country and provide their board &c. while there. Many private persons assist by giving gratis board and lodging to children recommended to them by the Commissioners.)	500	
23.	The Bergen Maternity Society. . (A society that provides poor child-bed women with skilled attendance and other assistance.)	30	
	Carried forward	47,415	64,155

		Dr.	Cr.
		£	£
	Brought forward	47,415	64,155
24.	The Artisan Journeyman's Society (A journeyman's club and Reading-room &c.)	270	
25.	The U. O. of Good Templars . . (A fund to assist the Order to erect a building.)	355	
26.	The Ladegaard Children's Asylum	1,890	
27.	*The "Ebenezer" Home . . . . (A Home in Christiania for discharged female prisoners.)	40	
28.	*The "Heimdal" Inebriates' Home (A Home for inebriates near Tönsberg. Inmates from Bergen are received in return for the grant.)	535	
29.	The Bergen Sloyd School . . . (A school for teaching handicrafts. Both boys and girls are admitted to the workshops of the school.)	2,290	
30.	The Working Class School of Industry for Girls	250	
31.	The Sunday Home for Domestics (A Home, provided for the use of female domestic servants who are without friends or relatives resident in Bergen, where they may spend their free Sunday. It contains Reading-room, Library &c. A lady of the committee of management attends to advise any visitor desiring a friend's advice.)	375	
32.	The Children's Playground Society (A society established to provide children's playgrounds in convenient situations throughout the city.)	775	
	Carried forward	54,195	64,155

		Dr.	Cr.
		£	£
	Brought forward	54,195	64,155
33.	The Bergen Sea Baths . . . . (An establishment provided by the society and handed over to the Municipality, which now conducts it and keeps it up. The establishment is open to the public gratis.)	1,220	
34.	The Aged Handicraftsman's Home	835	
35.	The Fisheries Museum . . . . (A Museum containing collections of objects connected with fishing and fisheries.)	555	
36.	The Haakon's Hall Restoration Fund . . . . . (A fund for the purpose of restoring an old historical building of considerable architonic interest, situated within the domain of the Bergen Fortress.)	1,110	
37.	The Western Norway Museum of Industrial Art	390	
38.	The Bergen Prisoner's Aid Society	195	
39.	The "Harmonien" Music Union .	55	
40.	The Bergen Society for promoting Scientific Knowledge . . . . . (A society that engages lecturers who deliver lectures specially adapted for the less educated classes during the winter season.)	110	
41.	The Bergen Exhibition Building . (A fund opened to, eventually, provide Bergen with a permanent Exhibition Building, &c.)	2,850	
42.	Women's Gratis Instruction Fund (A fund to enable women of good character to learn a means of earning a livelihood by handi	135	
	Carried forward	61,650	64,155

		Dr.	Cr.
		£	£
	Brought forward	61,650	64,155
	crafts, such as lacework, weaving, straw-plaiting, basket-making and such trades. The society pays the fees for instruction.)		
43.	The Bergen Young Men's Christian Association	835	
	(To assist the Association to erect a building.)		
44.	The Nordnæs Tree Planting Society	420	
	(Nordnæs is a district of Bergen.)		
45.	The Bergen Artisan's Exhibition Fund	220	
	(A sum expended in 1888, to despatch deserving artisans and workmen to visit the Copenhagen Exhibition held in that year.)		
46.	The "Fremad" Total Abstinence Society	45	
47.	The "Blue Ribbon" Total Abstinence Society.	20	
48.	The Bergen Gymnastic Union	390	
	(To aid in providing a gymnasium.)		
49.	The Bergen Deaf and Dumb Institution	20	
50.	The Single Woman's Aid Society	110	
51.	The Children's Rescue Society	110	
52.	The "Olaf Kyrre" Good Templar's Lodge	55	
53.	The "Nykirke" Children's Asylum	280	
	Total	64,155	64,155

* With the exception of the items marked with an asterisk, all the grants have been made to purely local objects. The non-local grants have been made to societies whose work is of a nature to benefit members of the local Bergen population in certain circumstances.

Nothing could well be more instructive to the social reformer, than the figures and facts contained in the foregoing Table. They are not travellers' tales, but figures and facts duly vouched, verified, and transcribed from the Books of the "Bergens Samlag for Brændevinshandel", or, as we call it in this pamphlet, "The Bergen Society for Retailing Ardent Spirits".

Nor does the above Table shew all the financial benefit the Society has bestowed; because some years ago it, with its funds, erected a number of workmen's dwellings, for sale to respectable workmen at cost price on easy terms of payment. That fund is now closed being no longer necessary. Besides that the Society gave the impulse to the formation of "The Bergen Coffee House Society", which has also done much good service.

If we take the population of Bergen at the average of the 13 years covered by the Society's accounts, we find, that the Society's capital is equal to about 2 *s.* sterling per head of the mean populatation. That capital has returned an average of about 2 *s.* 8 1/2 *d.* sterling, per annum, per head of the mean population. Of this, 2 *s.* 2 1/2 *d.* sterling, per annum, per head of population has been distributed, while 6 *d.* per annum per head of population is represented by the reserve fund, the Society's fittings, utensils, and business premises, but which is also distributable, eventually, in grants to institutions, charities and other objects of general public utility.

As it may interest some readers to know the prices at which the "Bergen Society for Retailing Ardent Spirits" sell its liquors, we subjoin a copy, in translation, of the Tariff exhibited in the Bar premises. Besides this tariff, the Society also issues a price-list embracing a most complete list of foreign spirits; which it sells in bottles and half-bottles from the warehouse and shops, at prices ranging from 1 *s.* 2 1/2 *d.* to 11 *s.* 4 *d.* per bottle, the latter price being for the finest imported French brandy shipped by Lucien Foucauld & Co. Several well known brands of Irish and Scotch whisky are sold, such as "Islay Blend" at 3 *s.* 9 1/2 *d.* per bottle; Jameson's at 2 *s.* 9 1/2 *d.* per bottle; Dunville's at 2 *s.* 4 *d.* per bottle &c. &c. Common native spirit, free from

fusel oil, is sold at 1 *s.* 0$^3/_4$ *d.* per bottle, and 7$^1/_2$ *d.* per half-bottle.

Tariff of Prices

For

Spirituous Liquors sold at the Society's Bars.

	per Glass small.	large
Common Native Spirit (free from fusel oil)	7 öre	10 öre
Refined Spirit (spiced) No. 1	10 „	15 „
Do. (circum-equatorial)	16 „	24 „
Do. (10 years old)	18 „	27 „
French Brandy	10 „	15 „
Refined Spirit (spiced) No. 1 (sweet)	10 „	15 „
Do. — „ 2 —	8 „	12 „
Cognac Brandy No. 1	25 „	—
Do. „ 2	20 „	—
Do. „ 3	18 „	27 „
Whisky	18 „	27 „
Rum No. 1	20 „	—
Do. „ 2	14 „	21 „
Gin (Schiedam)	20 „	—
Do. —	14 „	21 „
Liqueur	16 „	24 „
Swedish Banco (Shrub) fine	16 „	24 „
Do. —	14 „	21 „
Ratafia	14 „	21 „
Cognac Extract (liqueur)	18 „	27 „
Rum Extract —	14 „	21 „
Arrack Extract —	14 „	21 „
Kräuter-Magen —	25 „	—
Aromatic Bitters	10 „	—
Do. (fine)	20 „	—
Von Oosten's Bitters	20 „	—
Angostura Bitters	35 „	—
Boonekamp Stomachic Bitters	35 „	—
Toddy	25 „	50 „
Do.	20 „	40 „

The Society's glasses measure, respectively, 26 and 18 glasses to the litre. 1 shilling is equal to 7$^1/_2$ öres, so that a small glass of the common native spirit costs just a fraction less than one penny.

Moral Results.

The moral results of the work done by the Society for retailing ardent spirits in Bergen are – as will have been gathered from the account we have in the preceding pages given of its establishment and work — very great, and through its financial aid to objects of public benefit and utility, very far-reaching on the well-being of the community.

The control exercised on the sale, and in respect of the persons to whom spirits are sold, operates as a tolerably effective preventive of intoxication, although it cannot become an absolute preventive so long as the uncontrolled sale of wines and ales counteracts the Society's reforming work; still there is a large balance of good to the Society's credit, as the statistics we have supplied sufficiently shew. The control exercised on the sale, undoubtedly leads to greatly improved habits among that class of the population where improvement in the matter of the consumption of intoxicating liquors is most urgently needed.

Then the diminution of drunkenness effected by the Society's work, necessarily carries with it an improved condition in not a few homes, and we may reasonably presume also that it carries along with it a reduction in crime, although we are not in position to shew this distinctly here.

When we turn to a consideration of the Society's surplus and see the nature of the objects benefited and the handsome sums contributed towards their support, we Englishmen have every reason to envy our Norwegian brethren the possession of such a munificent and beneficent Society.

The visitor to Bergen who walks along the mountain road above the city — the Fjeldvei as it is called — constructed with moneys provided by the Society for Retailing Ardent Spirits, and punningly called, in consequence, the "Dram Road";*) or who takes a walk in the handsome, well laid-out Nygaard Park, also chiefly provided by the moneys of the society, can readily understand what an important influence such benefits exercise in elevating the tastes and improving the con-

*) A punning allusion to the Norwegian town of Dram or Drammen, to which, however, the road does not lead.

dition of the masses and in leading them away from the temptations that existed in the days of the uncontrolled licensed publicans.

When we think of the Society's labourer's dwellings, labourer's waiting rooms, the coffee-houses sprung from the society's work &c., its contributions to museums, workmen's lectures, clubs, reading rooms, theatre &c. besides the host of other beneficent objects, it is not difficult to understand why it is, that English visitors to Bergen are impressed by the well-to-do look of the population, the absence of drunkenness, beggary and squalid misery, and the well-clad and well-nourished appearance of the meanest member of the community. In an English work before us the author says, speaking of Bergen, "we did not see a single drunk person, a single beggar, or anyone in rags" &c. He had not such an intimate experience of Bergen as we have, or he would have qualified his statement a little, but still there is a world of truth in what he has said in the words quoted. There is, really, not a tithe of the wretchedness, squalid misery and poverty, drunkenness and beggary so prevalent in English towns of similar size; that the difference is due, to no small extent, to the fact, that in Bergen the sale of ardent spirits is strictly controlled while in the English towns it is not, is indubitable, and is a fact that quickly impresses itself on the minds of those who know the peoples and circumstances of both countries intimately.

The Lessons For Social Reformers.

The Norwegian system of controlling the retail sale of ardent spirits, by means of societies holding a monopoly of the licences and carrying on the trade for the benefit of the public, has proved so beneficial in Norway, that it may well cause social reformers to ponder and ask themselves, whether a similar system could not be introduced with advantage into the United Kingdom.

Norway is, in this matter, somewhat more favorably situated than the United Kingdom is, in so far, that its centres of population are separated from each other by

great distances, entailing tedious, expensive, and less frequent inter-communication than would be the case if the towns lay nearer to each other. In the United Kingdom the circumstances are very different; there we have a small territory with a dense population, and towns at short distances from each other, dotted all over the country, in speedy, frequent and cheap inter-communication.

In Norway the exercise of local option does not, from the cause indicated, affect any community but the one exercising it; but in the United Kingdom one community could not effectively exercise local option by means of a society on the Norwegian system, so long as the adjoining communities declined to do the same. Control in one licensing district by means of a monopoly of the licences, held by a society, would simply result in driving the drunkards into the adjoining district to purchase their liquors. It is true, that in such a case the district declining to control the retail sale, whilst its neighbour did, would, we think, soon be so over-run with such a collection of drunkards driven out of the other district, that it would be obliged, in self defence, to adopt control in the same form unless a better could be found.

Practically, however, we fear, that the Norwegian system could not be effectively worked in the United Kingdom unless it was adopted universally; in that case the retailing of ardent spirits could be best controlled by the State undertaking the retailing of spirits as a State Monopoly. That is what the system is likely to develope into in Norway: the societies are likely to be eventually replaced by a State Monopoly, under some equitable system of dealing with the profit of the trade, so that local and national objects may each derive a fair share of the benefit of the surplus.

We should much like to direct Mr. Goschen's attention to what could be done in the manipulation of the resources of the trade of retailing ardent spirits, in the public welfare, and ask him to weigh well the lessons the experience of the Norwegian societies teaches.

Suppose such a system introduced, it would, while improving the habits of the population by controlling the

unrestrained sale of intoxicating liquors, improving the condition of the masses and elevating large numbers of our fellow-subjects out of the gutter, reducing crime with all its attendant expenditure, diminishing poor's rates, increasing the area of population able to pay taxes &c. &c. leave a comfortable balance each year to deal with, which would come in handy to pay off the National Debt or any other trifle of that kind.

The consumption of spirits, per head of population, is considerable larger in the United Kingdom than it is in Norway, and the profit of the trade would therefore be so much the greater.

It the "Bergen Society for Retailing Ardent Spirits" can earn, as has been shewn, an average of 125 % on the capital employed, there should be no difficulty in doing at least as well in the United Kingdom, where the consumption of spirits per head of population is greater.

If we take the present population of England, Wales, Scotland and Ireland as 36,000,000 and suppose the trade conducted on the same lines as in Bergen, with the same capital per head of population and the same return on capital, there would be an annual surplus of £ 4,500,000. But the fact is, that in the United Kingdom as compared with Bergen, the Treasury might safely reckon on double the amount.

Add the profit that might be made out of control, exercised in the same way, on the retailing of Wines and Ales, and the National Debt would soon be in a fair way of extinction. The "licensed victuallers" would become servants of the State, used to restrain drunkenness and diminish crime; instead of, as at present, pandering to the vice of drunkenness, crime and prostitution.

Compensation For Extinguished Licences.

Whilst this pamphlet has been passing through the Press, a Bill has been introduced into the British House of Commons, one of the clauses in which proposes to recognize a vested right in licences, and to compensate

the holders for refusal to renew them. In other words, it is proposed to recognize the licence-holder as life-tenant of a public property, although the intention of the licensing object was, that he should occupy the licence for a short term only, subject to payment of a certain sum for the tenancy of it.

This very same subject was dealt with in Norway in 1871, as we have already explained at page 14, with the result, that the holders of ordinary spirit licences were displaced by controlling societies without a farthing of compensation for refusal to renew the licences to the former. Public opinion as well as law, refused to recognize a life-holding in a licence, granted at the option of the representatives of the public for a term only, without obligation to renew at all, or in any case longer than public interest permitted. Neither law nor equity recognized any circumstances entitling the holder of the ordinary spirit licence to compensation, for refusal to renew it to him beyond the term for which it was granted and for which the stipulated payment had been paid and accepted.

Besides ordinary licences of the same class as exists in the United Kingdom, and which the Norwegian controlling societies have obtained the monopoly of; there existed, and still exist, in some places, a few old privileges to retail spirits, in which there is a vested right fully recognized, as in those cases there is really what is equivalent to a life-holding; for the extinction of these, and these alone, compensation was and is admitted to be due.

Prior to 6 Sept. 1845, many persons had acquired Burgess Rights to trade in all descriptions of goods, **ardent spirits included;** the Burgess Right once acquired was, of course, for life at the option of the Burgess. In some cases, too, the rights conveyed devolved on the survivor in the case of a husband and wife. In those Burgess Rights there was, undeniably, a vested right conveyed in the issue of the Burgess Papers.

By a law promulgated 6 Sept. 1845, the issue of those Burgess Rights including the privilege to retail

spirits, was abolished; and a separate licence was established subsequent to that date, for trading retail in spirits; but, of course, all the previously existing Burgess Rights that included the privilege of trading in spirits were duly secured to the Burgesses then holding such rights, so long as they continued to fulfil their obligations; but all rights to retail spirits granted subsequent to the issse of the law of 6 Sept. 1845, came exclusively under a system of quinquennial licences. A vested right was thus acknowledged in the case of those spirit-dealers who derived their right to retail spirits from a Burgess Right.

The birth of the controlling societies displaced the ordinary licensees, and made it desirable to extinguish the Burgess Rights referred to; because so long as they existed to interfere with the controlling operation of the societies, those could of course be of only partial effect in restraining drunkenness.

To remedy the evil created by the grant of the privilege to retail spirits under the Rights of a Burgess, it became necessary to legislate anew. This was done on 1st May 1880; an Act was passed empowering the communal authorities to acquire any, or all such existing Burgess Rights to retail spirits, upon paying the holders compensation for expropriating them.

By the Act referred to, the communal authority may decide to expropriate one or more, or all the rights of the kind existing in their locality, but subject to the sanction of the Crown. The amount of compensation to be paid is fixed by a Court composed of four valuators; in case the Burgess is dissatisfied with the valuation of that Court, he may appeal to a Court of eight valuators. All the valuators are nominated by the Crown. The right to retail spirits, thus expropriated, expires at the end of the year in which the valuation has been made, if the year has still six months to run; but if less than six months to run then not till the expiry of the following year. The compensation is fixed at an annual payment equal to the estimated average income that had been derived from the trade during the immediately preceding three years; but the valuators are not bound to this, should there be circumstances in the case which may have

caused the income in those three years to have been either larger or smaller than an average one, or than what could reasonably be looked for in the future. The income awarded as compensation is payable by the local treasury in half yearly payments, and ceases at the expiry of the year in which the death of the recipient of the income takes place, or in the case of the income being payable to the survivor, in the case of a joint Burgess Right, then at the expiry of the year in which the death of the survivor takes place.

In the event of one or more, but not all the Burges Rights to retail spirits being expropriated in a locality in which a controlling society has been established, the excise duty payable by the society to the local treasury, shall in no case amount to less than the sum that equals the annual compensation for the Rights expropriated, payable in any current year.

In Bergen no such Burgess Rights existed when the controlling society was called into existence there; but it was not so in all places, and there are old Burgess Rights still existing alongside the controlling societies' monopolies in some places, notably in Christiania. These can now, however, be compulsorily acquired by the community, on paying compensation in the form above indicated; but these expropriable Burgess Rights are not licences, or they would quickly have passed into the controlling societies hands without compensation.

Norway is distinguished, among other things, for the great spirit of equity that exists in all its legislation; and also for the way in which public interest overrules private interest, never without, however, paying full value for private rights or property expropriated for the public welfare. But the compensation is fixed by perfectly neutral parties, called in from an outside district always, under every possible precaution to do justice between the parties.

In dealing with the question of compensation for refusal to renew ordinary spirit licences, the Norwegians have shewn both common sense and perfect equity, while they have also exalted public above private interest. The licensee got all he had stipulated for when he ob-

tained a licence, and all that the public had undertaken to convey to him in return for his payment. Any renewal of the licence was at the option of the public and not at that of the licensee. The public was the owner of the permanent property in the licence and not the publican; his interest was that of a tenant for five years only. It rested with the proprietor (the public) to renew the tenancy or not as he chose; or to accept another tenant for his property if he chose, as he also did in Norway when he elected to accept the tenant (the societies) that served his interest best. In that way the controlling societies were preferred as the tenants of the public, without any compensation to the displaced tenants for a refusal to renew expired leases to them; while those who hold life tenancies under Burgess Papers may be displaced on payment of just compensation.

By an Act of the Norwegian Parliament passed 23rd April 1881, the law passed in the preceding year in respect of Burgess Rights to retail spirits, was extended to include also wines and ales exactly in the same terms, except the last paragraph relating to the obligation of the societies for controlling the retailing of spirits to provide the compensation. That paragraph was omitted, so that spirit retailing societies have no obligation to pay compensation incurred in expropriating privileges to retail wines and ales. The compensation in the case of wines and ales is payable by the local treasury, independent of the societies for retailing spirits.

We can heartily commend the Norwegian system of dealing with the subject of compensation for refusal to renew licenses, and of distinguishing what constitutes a vested right, demanding compensation for its extinction, from an inequitable untenable claim, to the attention of statesmen and reformers at home.

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